

City of Ramsey
Agenda
Economic Development Authority (EDA)
Thursday, February 8, 2024
7:30 am
Council Chambers, 7550 Sunwood Drive NW

Remote Attendance available at www.cityoframsey.com/meetings.
Those joining remotely and requesting to speak are asked to use a webcam when speaking.

1. **Call to Order**

2. **Approve Agenda**

3. **Approve Minutes**
 1. Approve EDA Meeting Minutes for January 11, 2024

4. **EDA Business**
 1. Consider Provision of Tax Increment Financing Assistance to Medart, Inc.

 2. Consider Approval of Purchase Agreement and Right of Re-Entry Agreement for Lot 2, Block 1, COR FOUR (Portions may be closed to the public) **(CASE REVISED 2.6.24)**

 3. Consider Refund of Earnest Money and Project Costs to COR Trust Bank N.A.

 4. Receive 2023 Business Retention and Expansion Presentation

5. **Member/Staff Input**

6. **Adjournment**

Economic Development Authority (EDA)

Meeting Date: 02/08/2024

Primary Strategic Plan Initiative: Enhance City’s communication through transparency and accountability.

Title:

Approve EDA Meeting Minutes for January 11, 2024

Purpose/Background:

Purpose: The purpose is to approve the meeting minutes for the EDA meeting held the prior month.

Background: The meeting minutes are attached for review and approval.

Recommendation:

Approval of January 11, 2024 meeting minutes.

Outcome/Action:

Motion to approve January 11, 2024 EDA meeting minutes.

Attachments

EDA Minutes

Form Review

Inbox	Reviewed By	Date
Sean Sullivan	Sean Sullivan	01/16/2024 12:15 PM
Brian Hagen	Brian Hagen	02/01/2024 03:20 PM
Form Started By: Wendy Schlueter		Started On: 01/11/2024 03:42 PM
Final Approval Date: 02/01/2024		

**ECONOMIC DEVELOPMENT AUTHORITY
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

The City of Ramsey Economic Development Authority (EDA) conducted a regular meeting on Thursday, January 11, 2024, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Scott Winyinger
 Member Chelsee Howell
 Member Rachal Johnson
 Member Brittany Lindahl
 Member William MacLennan
 Member Chris Riley (via Zoom)
 Member Shanna Stewart

Members Absent: None

Also Present: Sean Sullivan, Economic Development Manager

1. CALL TO ORDER

Chairperson Winyinger called the Economic Development Authority meeting to order at 7:30 a.m.

2. APPROVE AGENDA

Motion by Member Johnson, seconded by Member Lindahl, to approve the agenda.

Motion carried. Voting Yes: Chairperson Winyinger, Members Johnson, Lindahl, Howell, MacLennan, Riley (Remote), and Stewart. Voting No: None. Absent: None.

3. CONSENT AGENDA

3.01: Approve Meeting Minutes Dated December 14, 2023

Motion by Member Lindahl, seconded by Member Stewart, to approve the December 14, 2023, minutes as presented.

Motion carried. Voting Yes: Chairperson Winyinger, Members Lindahl, Stewart, Howell, Johnson, MacLennan, and Riley (Remote). Voting No: None. Absent: None.

4. EDA BUSINESS

4.01: Consider Approval of Purchase Agreement for Lot 1, Block 1, Rivers Bend Plaza 2nd Addition; Case of MW Properties LLC (Complete Auto)

Economic Development Manager Sullivan presented the staff report. He provided a summary of the acquisition and demolition of the Amoco building in 2005 and the site challenges (deed restrictions, soils, access) leading to the reduced sale price of the property. He also highlighted that the property is properly zoned for the proposed use and requires a conditional use permit. He asked the EDA members if they had any issues with the auto repair use at this location. No objections were shared by the EDA.

Chairperson Wyingner invited the applicant to address the group.

Mitchell Webb, MW Properties LLC (Complete Auto), applicant, commented that they have multiple locations with employees and awesome customers. He stated that he has worked with Ramsey staff to renovate the strip mall and has enjoyed that experience. He stated that he currently has a lot of customers from the Anoka/Ramsey area that are receiving service at the Andover location and therefore believes that this would be a good location. He also shared that his sister operates a successful daycare in the renovated mall on 167th in Ramsey owned by Webb.

Motion by Member Stewart, seconded by Member Johnson, to recommend to City Council to approve the Purchase Agreement and Right of Reentry Agreement as presented, subject to City Attorney review.

A roll call vote was performed:

Member Lindahl	aye
Member MacLennan	aye
Member Johnson	aye
Member Stewart	aye
Member Howell	aye
Member Riley	aye
Chairperson Wyingner	aye

Motion carried.

4.02: Consider Renewal of MOU with Anoka County Regional Economic Development Partnership (ACRED)

Greg Frahm-Gilles, Director of Economic Development at Anoka County Regional Economic Development (ACRED), introduced himself. He provided information on economic development and the purpose of coordinating on a regional level. He reviewed the ACRED goals and initiatives, target industries, and related market statistics. He also provided information on business support, publicity, and available services provided through ACRED, along with development readiness, workforce and housing programs/services. He provided the approved 2024 ACRED budget and highlighted recent and upcoming events. He stated that they are requesting a 12-month extension of the existing Memorandum of Understanding (MOU).

Economic Development Manager Sullivan stated that the action before the group today is to consider the MOU as well as the voluntary cost share financial contribution of \$1,637 which was 11 dollars more than last year.

Motion by Member Johnson, seconded by Member Stewart, to recommend to City Council to extend the MOU one year with Anoka County Economic Development Partnership (ACRED) and payment of the \$1,637 continue voluntarily cost share to the partnership.

Further discussion: Member Riley commented that he agrees that a county-wide initiative is a great idea but also sees the value that City staff receives from this resource.

A roll call vote was performed:

Member Howell	aye
Member Stewart	aye
Member Johnson	aye
Member MacLennan	aye
Member Lindahl	aye
Member Riley	aye
Chairperson Wyingner	aye

Motion carried.

4.03: Consider Extension of CBRE Real Estate Listing Agreement for City Owned Land in COR

Member Lindahl commented that she will be recusing herself from this item as she works for the same company as the listing agent.

Economic Development Manager Sullivan presented the staff report.

Brian Pankratz, CBRE, commented that they receive many calls for the open City-owned parcels that may not fit, but are then referred to privately owned property in Ramsey.

Chairperson Wyingner thanked Mr. Pankratz for his work with Aldi and the hotel. He noted that the replaced real estate signs look great.

Motion by Member Johnson, seconded by Member MacLennan, to recommend to City Council to approve of the Listing Agreement with CBRE from February 1, 2024 through January 31, 2025 as presented.

A roll call vote was performed:

Member Lindahl	abstained
Member MacLennan	aye

Member Johnson aye
Member Stewart aye
Member Howell aye
Member Riley aye
Chairperson Wyingner aye

Motion carried.

5. MEMBER / STAFF UPDATE

Economic Development Manager Sullivan provided an update on recent and ongoing development activity and interest. He also noted the upcoming Business Networking Event on February 7th, 2024 already had 120 people that were signed up.

6. ADJOURNMENT

Motion by Member Stewart, seconded by Member Lindahl, to adjourn the meeting.

A roll call vote was performed:

Member Howell aye
Member Riley aye
Member Stewart aye
Member Johnson aye
Member MacLennan aye
Member Lindahl aye
Chairperson Wyingner aye

Motion carried.

The regular meeting of the Economic Development Authority adjourned at 8:13 a.m.

Respectfully submitted,

Sean Sullivan
Economic Development Manager

ATTEST:

Wendy Schlueter
Economic Development Administrative Assistant

Draft by Amanda Staple
TimeSaver Off Site Secretarial, Inc.

Economic Development Authority (EDA)**Meeting Date:** 02/08/2024**Primary Strategic Plan Initiative:** Promote economic growth and development.**Title:**

Consider Provision of Tax Increment Financing Assistance to Medart, Inc.

Purpose/Background:

The purpose of this case is to consider the provision of Tax Increment Financing Assistance for Medart, Inc. City Staff has been working with Medart, Inc. since July of 2021 to relocate its facilities from Anoka to the City of Ramsey. Originally, Medart was looking for an existing building but they are now looking at constructing a new building to improve operational efficiencies. City Staff has assisted Medart in its site selection process and they are considering an 11.13 acre site owned by PSD, LLC in Bunker Lake Industrial Park, across the street from Delta ModTech. The initial building size was estimated to be 98,000 square feet, but now it is 105,157 square feet. This site is large enough to accommodate a 42,000 SF expansion when needed and it maximizes the development of the site. Staff has been persistent in its pursuit to recruit Medart and is hopeful the City of Ramsey will be able to provide the needed Tax Increment incentive to bring Medart to our community instead of relocating to another community.

Initial tax estimates by Anoka County and a preliminary 550K TIF amount provided by the City have resulted in Medart looking at another site in Wright County. Medart has indicated that the taxes are lower there and the TIF amount being offered by a community in Wright County is much higher than what was proposed initially by the City. Medart has communicated that there is a delta of approximately \$110,000 per year and about 1M total when comparing the preliminary proposal by the City and the Anoka County tax valuation and annual property taxes back on November 2023. Staff has sat down with Anoka County to re-evaluate the project and to see if the proposed valuation could be revisited. Anoka County reviewed a sworn construction statement and has provided a range in market valuation and a reduced tax estimates based on the original project. Staff has put together a summary of the preliminary offer and taxes and what a new proposal could look like. Based on the attached analysis, Staff believes that the city will have the ability to effectively reduce the delta between the Wright County site and the site in Ramsey and to keep the Ramsey site a viable option for Medart.

Company History

Medart, Inc. operates two separate, yet integrated, operating divisions strategically serving the center part of the United States. Medart Engine represents over 100 manufacturers distributing engines, parts and accessories to the outdoor power equipment, lawn and garden, agriculture, construction, industrial and rental industries. Medart Marine represents over 150 brands distributing boating accessories and parts to marine dealers, repair shops and marinas. Medart started as a single facility business in downtown St. Louis in 1912 as an automotive parts and service specialist. In the 1950's Medart began distributing small engines and parts, and in the 1970's Medart acquired a marine accessories and parts distributor to start that segment of the business. In 1984, and sold the automotive parts distribution business. The corporate headquarters are located in Arnold, Missouri, which is in metropolitan St. Louis. Medart currently has distribution facilities in Arnold; Anoka, Minnesota; Edwardsville, Kansas; Houston, Texas; Olive Branch, Mississippi; and Semmes, Alabama.

Medart is considering locations for an expansion of operations in the Midwest. Medart has considered or looked at properties in the following locations: St. Michael, Albertville, Rogers, Maple Grove, Brooklyn Park, Coon Rapids, Blaine, and Ramsey. They have also explored some build-to-suit options in Roberts & Osceola WI, along with a property in Mason City IA. They also have a one-year lease extension available for their Anoka facilities through December 31st, 2030. Ramsey is a leading candidate for location, but no final decision has been made.

Over the first 4 years, the company intends to have 51 full-time positions working at the Ramsey location. Measured over the first 2 years post occupancy they will have a staff of 47 FTE. Approximately 43 of the 47 FTE coming to Ramsey will have wages of \$18.50 / hr. or more. This project would include the construction of a facility of approximately 105,157 sq ft at an estimated all-in cost of \$12.72M. Medart also expects to spend over \$1,000,000 for material handling equipment, shelving and racking prior to operating from a new facility. As they have explored options, costs have continued to increase - construction costs, financing costs, operating costs and labor costs, thus Medart is seeking assistance from the City of Ramsey in the form of a 'pay-go' tax increment financing package to help offset the significant private investment Medart would be making.

Business Assistance Application

Medart has provided a complete application and application fee of \$5,000. City Staff and Ehlers have completed the required review and analysis for the project. The project scored a 29 which is on the high end of the moderate range. Medart has communicated the City preliminary offer of \$550,000 in TIF will not be enough to select Ramsey and they began to seriously explore another option in Wright County. Medart has asked for 1.5M of Pay Go TIF Assistance in the application. In order to get Medart to select the site in the City of Ramsey, Staff believes that more TIF (1.1M to 1.5M) will need to be provided which means 9 years of TIF (amount TBD) vs. the original 5 year (550K) proposed.

Notification:

A Public Hearing will be required at a later date (proposed to be April 9, 2024) for consideration of the Business Subsidy and creation of the TIF District. A public hearing is not needed at this time for the proposed EDA action. Please see the attached proposed schedule to complete the TIF process.

Time Frame/Observations/Alternatives:

The action being considered by the EDA in this case is to provide a recommendation to the City Council on the framework of a TIF Agreement with Medart, Inc. which includes the type TIF Assistance (Pay-Go), the level of TIF Assistance (TBD) and job creation goals (30 jobs at \$18.50/hr). Staff has asked Ehlers to conduct the analysis at the highest assistance package of 1.5M. This 1.5M assistance amount represents the closest the City of Ramsey could get to essentially match the proposal shared by Medart from Wright County. The third party analysis provided by Ehler's indicates the highest Pay-Go assistance the City could provide (1.5M) and does not unduly enrich developer. The \$1.5M note will accrue interest at 0% and is expected to be paid off in about 9 years after tax increment is received. Once the TIF note is paid off, the TIF district will be able to be de-certified and new tax values can return to the general city tax levy. If the TIF generated by the project is short of \$1.5M, the City is not responsible to pay the shortfall. The project would not move forward in the City of Ramsey without a higher assistance package for Medart which supports the "but-for" test required for the provision of TIF. Based on the completed analysis and the relatively high score on the TIF application, Staff believes that this is good project for the City. The EDA will need to determine what level of assistance is appropriate for this project and ultimately make a recommendation to the City Council on the amount, if any. Jason Aarsvold from Ehler's will be in attendance at the meeting to present the findings of the financial analysis and to discuss the impacts of A election and B election relating to fiscal disparities and available TIF for assistance. It should be noted that the City of Ramsey has utilized the A-election option for TIF 14 (COR) and the use of it for the Medart project would not be a first.

Project Highlights

- 105,157SF warehouse building (with 42,000 SF expansion possible)
- \$12,722,030 in Project Investment
- \$12,544,350 Estimated Tax Assessed Valuation
- \$338,237 in taxes annually
- \$95,171 in annual taxes for City of Ramsey once district ends (estimated to be 2035)
- 51 new jobs to Ramsey over 4 years
- 47 new jobs to Ramsey 2 years after building occupancy

- 43 of the new jobs \$18.50/hr or more within 2 years after building occupancy
- Potential to keep existing Anoka County business in Anoka County (Currently in City of Anoka)

Future Actions EDA Actions (if project moves forward)

- March 14, 2024 - The EDA will review the TIF Agreement and TIF Plan and make a recommendation to the City Council

Future Actions by City Council (if project moves forward)

February 13, 2024 - The CC will review the general terms of the TIF Agreement and Call for a Public Hearing for TIF District 19 Approval and Business Subsidy Approval on February 20, 2024

April 9, 2024 - The CC conducts public hearing for TIF District Creation and to award business subsidy to Medart, Inc.

Alternatives:

- 1) Recommendation to City Council for \$1.5M (0% interest) in TIF Pay-GO Assistance and requirement for the creation of 30 jobs with a minimum wage of \$18.50/hr or higher by Medart, Inc.; subject to TIF attorney review
- 2) Recommendation to City Council for \$_____ (0% interest) in TIF Pay-GO Assistance and requirement for the creation of 30 jobs with a minimum wage of \$18.50/hr or higher by Medart, Inc.; subject to TIF Attorney review
- 3) Direct Staff to continue negotiations with Medart for a TIF amount less than 1.5M
- 4) Something else

Funding Source:

All costs for this project will be funded through TIF Application Fee and the proposed TIF District No. 19 which will need to be created.

Recommendation:

Based on discussion. Staff supports provision of more than the initial offer of 550K in assistance and a number that the EDA is comfortable with that will bring the project to Ramsey. Staff believes this number will be (1.1M to 1.5M). Staff is asking the EDA to consider the 1.5M TIF package but understands that the EDA could recommend presenting a counter-offer based on discussion with the applicant, City Staff, EDA members and Ehler's.

Outcome/Action:

Motion to recommend to City Council for \$_____ (0% interest) in TIF Pay-GO Assistance and requirement for the creation of 30 jobs with a minimum wage of \$18.50/hr or higher by Medart, Inc.; subject to TIF Attorney review

or

Direct Staff to continue negotiations with Medart for a TIF amount less than 1.5M

Attachments

- Site Location Map
- Scored Business Assistance Application - Medart
- Ehlers Memo 1.31.24
- Medart TIF, Tax and Valuation Summary
- TIF Run A- Election
- TIF Run - B Election
- Draft TIF Schedule

Form Review

Inbox

Brian Hagen
Sean Sullivan (Originator)
Brian Hagen
Brian Hagen
Form Started By: Sean Sullivan
Final Approval Date: 02/02/2024

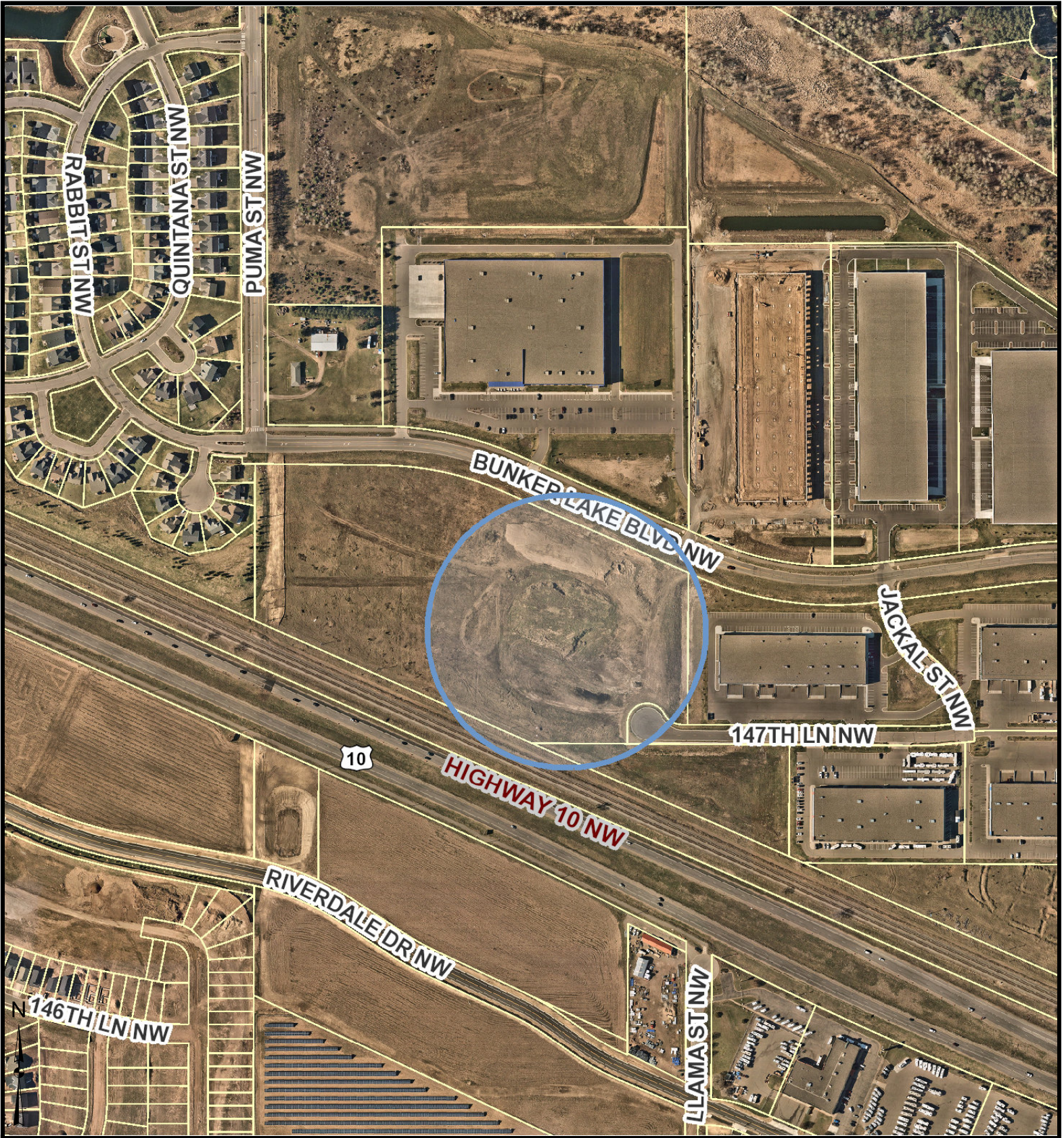
Reviewed By

Brian Hagen
Sean Sullivan
Kathy Schmitz
Kathy Schmitz

Date

12/07/2023 11:53 AM
02/01/2024 03:23 PM
02/02/2024 11:53 AM
02/02/2024 11:54 AM
Started On: 11/20/2023 11:14 AM

Medart, Inc. Site Location Map



Parcel Information: Approx. Acres: 11.13
 Commissioner:

Owner Information:
PSD, LLC



Plat:

Sean Sullivan

1:4,800

Date: 12/7/2023

Disclaimer: Map and parcel data are believed to be accurate, but accuracy is not guaranteed. This is not a legal document and should not be substituted for a title search, appraisal, survey, or for zoning verification.

C. PUBLIC PURPOSE OBJECTIVES

It is the policy of the City and EDA of Ramsey that the business assistance should result in a public benefit as identified in items 1-10 below. Please indicate how the proposed project will accomplish this by checking the appropriate boxes. **Attach additional narrative as Part 7.**

- 1. To encourage redevelopment.
- 2. To retain local jobs and/or increase the number and diversity of jobs that offer stable employment and/or attractive wages and benefits.
- 3. To enhance and/or diversify the City's economic base.
- 4. To encourage additional unsubsidized private (re)development.
- 5. To remove blight and/or encourage (re)development of commercial and industrial areas.
- 6. To create housing opportunities.
- 7. To provide a diversity of housing.
- 8. To provide a variety of family housing ownership alternatives and housing choices.
- 9. To promote neighborhood stabilization and revitalization by the removal of blight and the upgrading of existing housing stock in residential areas.
- 10. To accomplish other public policies which may be adopted such as the promotion of quality urban or architectural design, energy conservation, and decreasing capital and/or operating costs of local government.
 - Utilization of architectural and landscaping techniques that will enable the components of the project to blend with the natural environment.
 - Mitigation of project impact on the natural environment.

D. SOURCES & USES OF FUNDS

Attach additional information as Part 8

<u>SOURCES</u>	<u>AMOUNT</u>
Bank Loan	\$ _____
Other Loans	\$ _____
Owner Equity	\$ _____
Fed Grant/Loan	\$ _____
State Grant/Loan	\$ _____
Industrial Development Bonds	\$ _____
Tax Increment Financing	\$ _____
Tax Abatement	\$ _____
Revolving Loan Fund	\$ _____
Other	\$ _____
TOTAL	\$ _____

<u>USES</u>	<u>AMOUNT</u>
Land Acquisition	\$ _____
Site Development	\$ _____
Construction	\$ _____
Machinery & Equipment	\$ _____
Architectural/Engineering Fees	\$ _____
Debt Service Reserve	\$ _____
Contingencies	\$ _____
Other	\$ _____
TOTAL	\$ _____

Total Amount of business assistance requested from either Revolving Loan Fund, Abatement, Tax Increment Financing or another source: \$ _____

E. ADDITIONAL DOCUMENTATION AND CHECKLIST

Applicants will also be required to provide the following documentation. All personal financial information will be kept private and confidential.

- 1. Written business plan or a description of the business, ownership/ management, date established, products and services, and future plans.
- 2. Financial statements for past two years, including profit and loss statements and balance sheets.
- 3. Two year financial projections.
- 4. Personal financial statements of all major shareholders (principals) including the most recent 2 years of tax returns. (If requested.)
- 5. Letter of commitment from other sources of financing, stating terms and conditions of their participation in the project.
- 6. Administrative fee of up to \$5,000. In addition to defraying the cost of staff time, the fee will be used to pay costs associated with processing this request for financial assistance such as legal, engineering and financial analysis. The City reserves the right to stop the processing of the request until additional fees are paid should the original amount be insufficient to pay such costs. That portion which remains unspent, if any, will be returned only if the project is denied approval.
- 7. Attach the following documentation:
 - _____ Part 1 – Corporation/Partnership Description
 - _____ Part 2 – List of Shareholders/Partners
 - _____ Part 3 – Description of Project
 - _____ Part 4 – *But For* Analysis
 - _____ Part 5 – List of Prospective Lessees (If requested)
 - _____ Part 6 – Legal Description, Property Identification Numbers, maps of the project area, and project renderings
 - _____ Part 7 – Public Purpose Narrative
 - _____ Part 8 – Sources & Uses of Funds – Additional Information

The undersigned certifies that all information provided in this application is true and correct to the best of the undersigned’s knowledge. The undersigned authorizes the City and EDA of Ramsey to check credit references, verify financial and other information, and share this information with other political subdivisions as needed. The undersigned also agrees to provide any additional information as may be requested by the City after the filing of this application.

Applicant Name _____ Date _____

By _____

Its _____

EXHIBIT B
BUSINESS ASSISTANCE REVIEW WORKSHEET
FOR COMMERCIAL/INDUSTRIAL PROJECTS
TO BE COMPLETED BY APPLICANT AND CITY STAFF

A. The project meets which of the following objectives as set forth in Section C of the Business Assistance policy:

- 1. To encourage redevelopment.
- 2. To retain local jobs and/or increase the number and diversity of jobs that offer stable employment and/or attractive wages and benefits.
- 3. To enhance and/or diversify the City's economic base.
- 4. To encourage additional unsubsidized private (re)development.
- 5. To remove blight and/or encourage (re)development of commercial and industrial areas.
- 6. To accomplish other public policies which may be adopted such as the promotion of quality urban or architectural design, energy conservation, and decreasing capital and/or operating costs of local government.
 - Utilization of architectural and landscaping techniques that will enable the components of the project to blend with the natural environment.
 - Mitigation of project impact on the natural environment.

B. Ratio of Private to Public Investment in Project:

\$ _____	Private Investment	5:1	5
\$ _____	Public Investment	4:1	4
_____	Ratio Private : Public Financing	3:1	3
		2:1	2
		Less than 2:1	1

C. Job Creation:

_____	Net <i>new</i> jobs (minimum 40 hours per week) or fulltime equivalents	Points:	_____
		50+	5
		20+	4
		10+	3
		5+	2
		Less than 2	1

D. Wage Level of jobs created:

Average hourly wage		Points:	_____
Of <i>new</i> jobs	_____	Over \$21/hour	5
		\$18-21/hour	4
		\$14-17/hour	3
		\$10-13/hour	2
		Under \$10/hour	1

E. Ratio Of Business Assistance To New Jobs Created:

\$ _____ Business assistance requested
_____ Number of net *new* jobs created
\$ _____ of business assist. per net *new* job created

Points:
\$5,000 or less 5
\$15,000 or less 4
\$25,000 or less 3
\$50,000 or less 2
Over \$75,000 1

F. Project size:

The project will result in the construction
of _____ square feet

Points:
75,000+ 5
50,000+ 4
25,000+ 3
10,000+ 2
5,000 or less 1

G. Type of Project:

_____ 100% Owner Occupied
_____ Mix Owner Occupied & Investment
_____ Investment Property

Points:
5
3
1

H. Likelihood that the project will result in unsubsidized, spin-off development:

_____ High
_____ Moderate
_____ Low

Points:
5
3
1

I.

1

Sub-Total Points _____ of a possible 35 points.

Bonus Points

The project will be 100% *pay-as-you-go* financing.
The project is a redevelopment project.

Bonus Points:
3
3

Total Points: _____

Overall project analysis: High 35 points
Moderate 25 points
Low 15 points
Not Eligible 5 points

MEDART, INC.

Corporate Overview

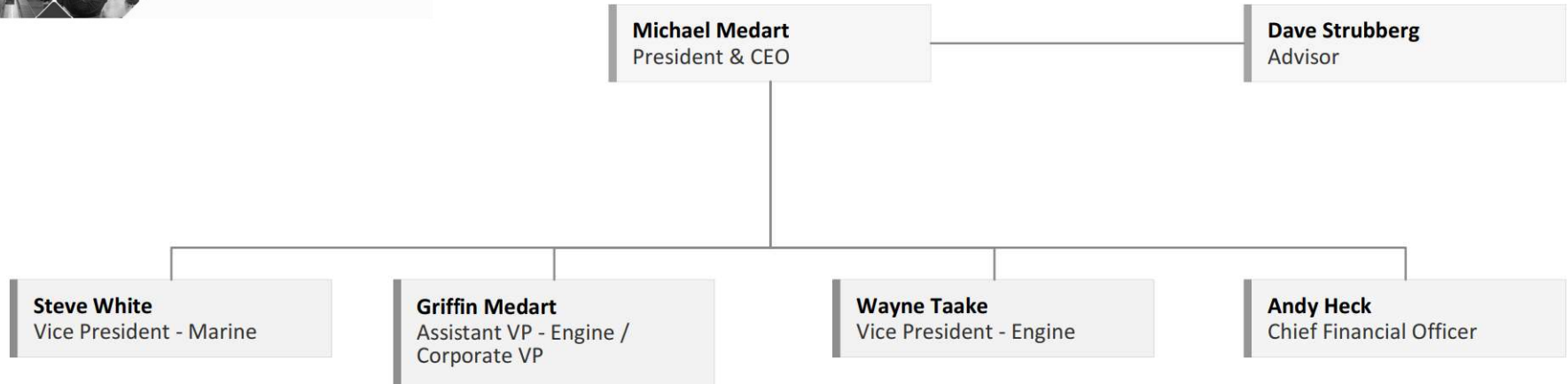
Medart, Inc. operates two separate, yet integrated, operating divisions strategically serving the center part of the United States. Medart Engine represents over 100 manufacturers distributing engines, parts and accessories to the outdoor power equipment, lawn and garden, agriculture, construction, industrial and rental industries. Medart Marine represents over 150 brands distributing boating accessories and parts to marine dealers, repair shops and marinas.

We started as a single facility business in downtown St. Louis in 1912 as an automotive parts and service specialist. In the 1950's we began distributing small engines and parts, and in the 1970's we acquired a marine accessories and parts distributor to start that segment of our business. In 1984, we sold our automotive parts distribution business.

Our corporate headquarters are located in Arnold, Missouri, which is in metropolitan St. Louis. We currently have distribution facilities in Arnold; Anoka, Minnesota; Edwardsville, Kansas; Houston, Texas; Olive Branch, Mississippi; and Semmes, Alabama.

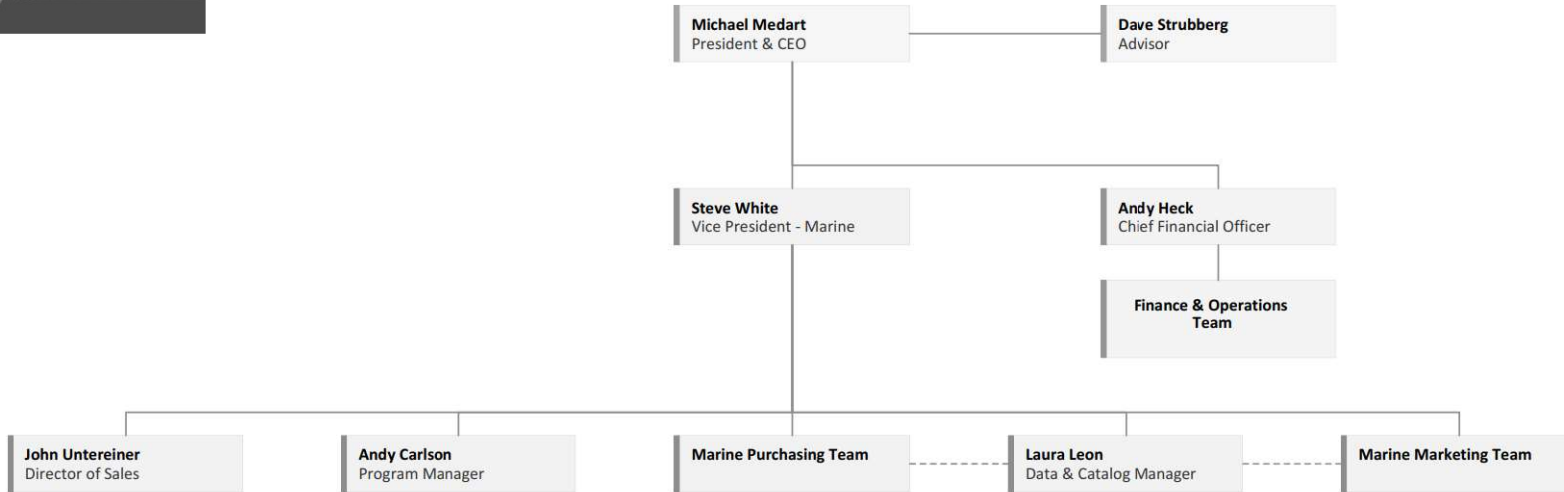


Medart, Inc. Executive Team



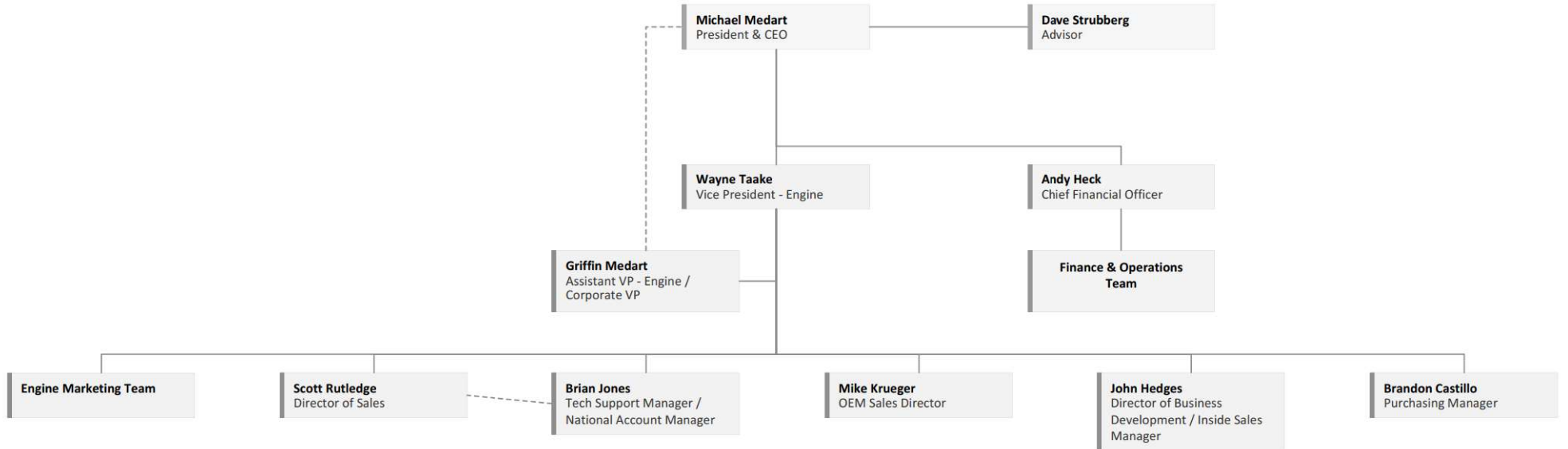


Medart, Inc. Marine Division



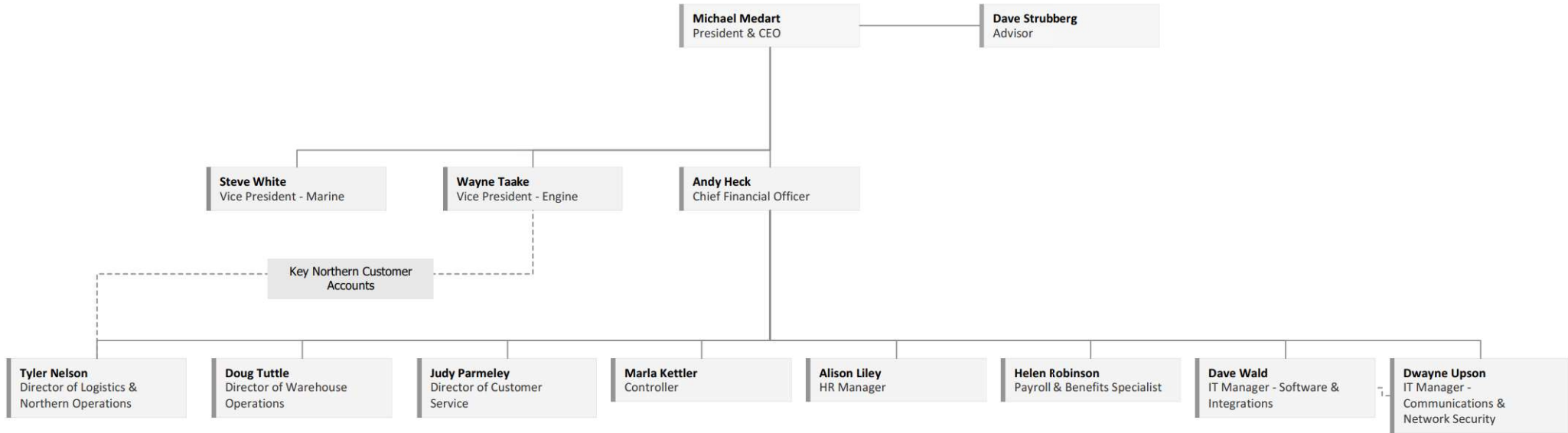


Medart, Inc. Engine Division





Medart, Inc. Finance & Operations Team



MEDART, INC.

Executive Team

Mike Medart - Mike is the Chief Executive Officer and President of Medart, Inc. He has been a full-time associate for over forty years and is the third generation of his family to own and operate the company. Mike has served as a computer programmer, purchasing/forecasting agent and sales manager of Medart Engine prior to his current role.

Griffin Medart – Griffin was named Vice President of Medart, Inc. in December, 2022. He also currently assists in managing Medart Engine with involvement in purchasing, marketing and sales. He has been a full-time associate for over five years and he is the fourth generation of his family to be involved in the business. Prior to joining Medart, Griffin worked for Lockheed Martin in logistics and purchasing.

Andy Heck – Andy is the Chief Financial Officer of Medart, Inc. Andy brought his extensive background in financial leadership for family-owned businesses to the Medart Team in early 2022. Prior to joining Medart, Andy held positions as Corporate Controller at Arrow Box Company and Audit Manager at Maher & Company, PC.

Wayne Taake – Wayne serves as Vice President – Engine leading our Medart Engine Team. He has been with the company for over thirty years. Wayne has served as general manager, purchasing and marketing manager, and customer service manager prior to his current role.

Steve White – Steve is the Vice President – Marine leading our Medart Marine Team. He has been involved with our company first as a customer, and now as an associate, for over forty years. Prior to his current role, Steve has served as general manager, assistant general manager and sales manager.

Dave Strubberg – Dave currently is an advisor to the Medart, Inc. executive team transitioning to this role in 2022. Dave was previously the Vice President and Chief Financial Officer of the company for over thirty years.

Medart is considering locations for an expansion of operations in the Midwest. The client has considered or looked at properties in the following locations: St. Michael, Albertville, Rogers, Maple Grove, Brooklyn Park, Coon Rapids, Blaine, and Ramsey. We also explored some build-to-suit options in Roberts & Osceola WI, along with a property in Mason City IA. They also have a one-year lease extension available for their Anoka facilities through December 31st, 2030. Ramsey is a leading candidate for location, but no final decision has been made.

Project Description:

Medart is considering locations for expansion of operations. This has led us to look at multiple options in and around the Minneapolis metro area, western Wisconsin, and northern Iowa. Ramsey is a leading candidate for location, but no final decision has been made; in addition to other suitable locations, we also have the ability to extend lease options on our current operations in Anoka through 2030. The company is currently operating out of two spaces in the Anoka area of 45,000 and 15,000 SF respectively. This expansion would allow us to consolidate operations for efficiency purposes, but also add another 35,000+ SF of capacity to meet our growth objectives.

Should the project progress in Ramsey, we will look to transition 35 existing positions which are currently not located in Ramsey but spread across multiple leased positions into one location in Ramsey. In the coming years, we anticipate adding 16 additional positions for a total of 51. A further breakdown of this is as follows:

- 35 existing jobs of which 32 will be at a wage rate of \$18.50/hour or greater plus benefits
- 10 new jobs within the first year, post occupancy, of which 5 will be at a wage rate of \$18.50/hour or greater with benefits
- 6 new jobs projected between years 2-4, all of which will be at a wage rate of \$18.50/hour or greater with benefits

This project would include the construction of a facility of approximately 105,000 sq ft at an estimated all-in cost of \$12,722,030. Medart also expects to spend over \$1,000,000 for material handling equipment, shelving and racking prior to operating from a new facility. As we have explored options, costs have continued to increase - construction costs, financing costs, operating costs and labor costs, thus we are seeking assistance from the city of Ramsey in the form of a 'pay go' tax increment financing package to help offset the significant investment we would be making.

Looking toward the future, and Medart's history of, and desire to, continue as a stable and growing business, this particular property in Ramsey would allow for future building expansion of 47,000 sq ft. It should also be noted that in addition to the long-term tax benefits this property would contribute to local government, we have a track record that spans generations, and we would contribute to further diversifying the industrial base of businesses operating in the city and bring a strong brand and good corporate citizen to the community. We also believe the 47 new jobs to Ramsey would lead to some families relocating to city, bring a trickledown effect to local retail establishments and be a flagship location in our portfolio which customers and other business partners of ours would be visiting in the future.

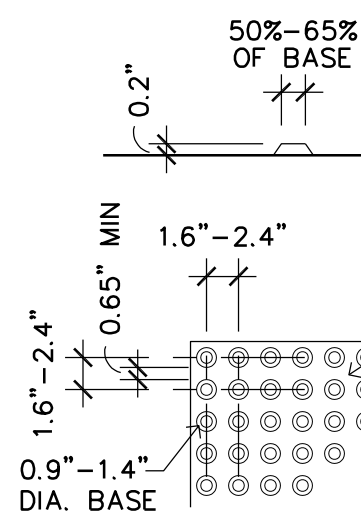
Filename: BUNKER LAKE INDUSTRIAL PARK\BUILDING #6\BUNKER LAKE #6 MEDART-A1

SITE DATA
 LOTS SIZE - 474,978 S.F. = 11.13 ACRES
 ZONING - E-3, EMPLOYMENT DISTRICT
 BUILDING PROPOSED - 105,157 S.F. OFFICE/WAREHOUSE
 FUTURE - 42,000 S.F. OFFICE/WAREHOUSE
 BUILDING COVERAGE
 147,157 S.F./ 474,978 S.F. = 31.0% < 45% MAXIMUM
PARKING DATA
 OFFICE
 7,657 S.F. AT 1/300 = 26 STALLS
 WAREHOUSE
 97,500 S.F. AT 1/1,000 = 98 STALLS
 124 STALLS REQUIRED
 124 STALLS PROVIDED
 93 FUTURE STALLS
 217 ULTIMATE STALLS

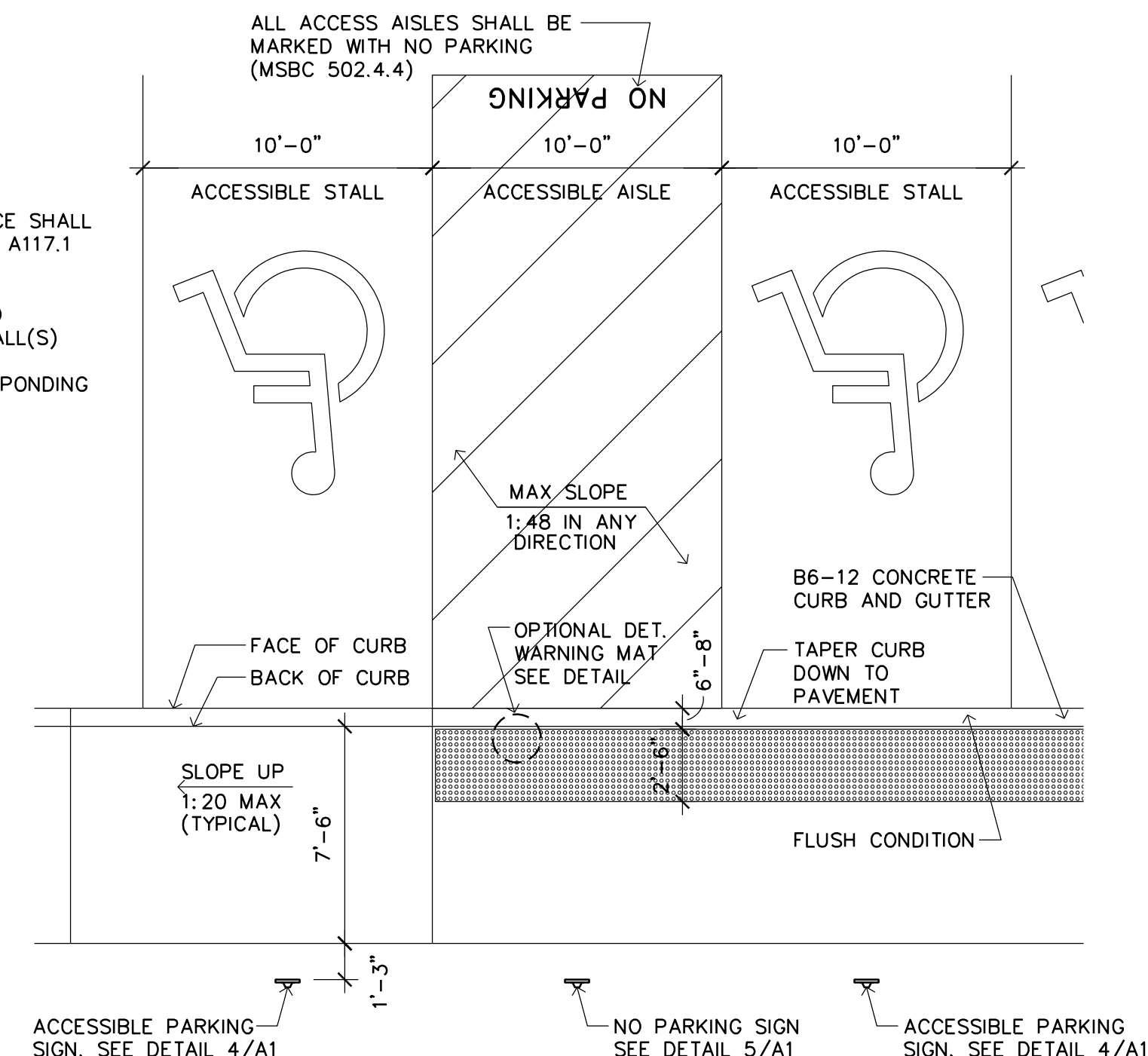
1 SITE PLAN
 SCALE: 1" = 50'-0"



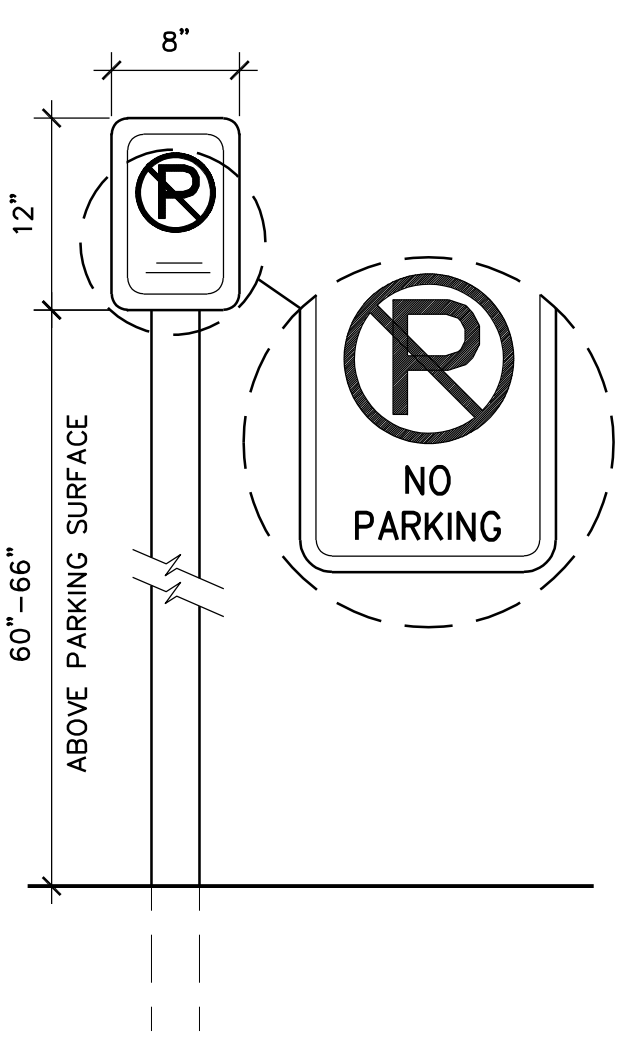
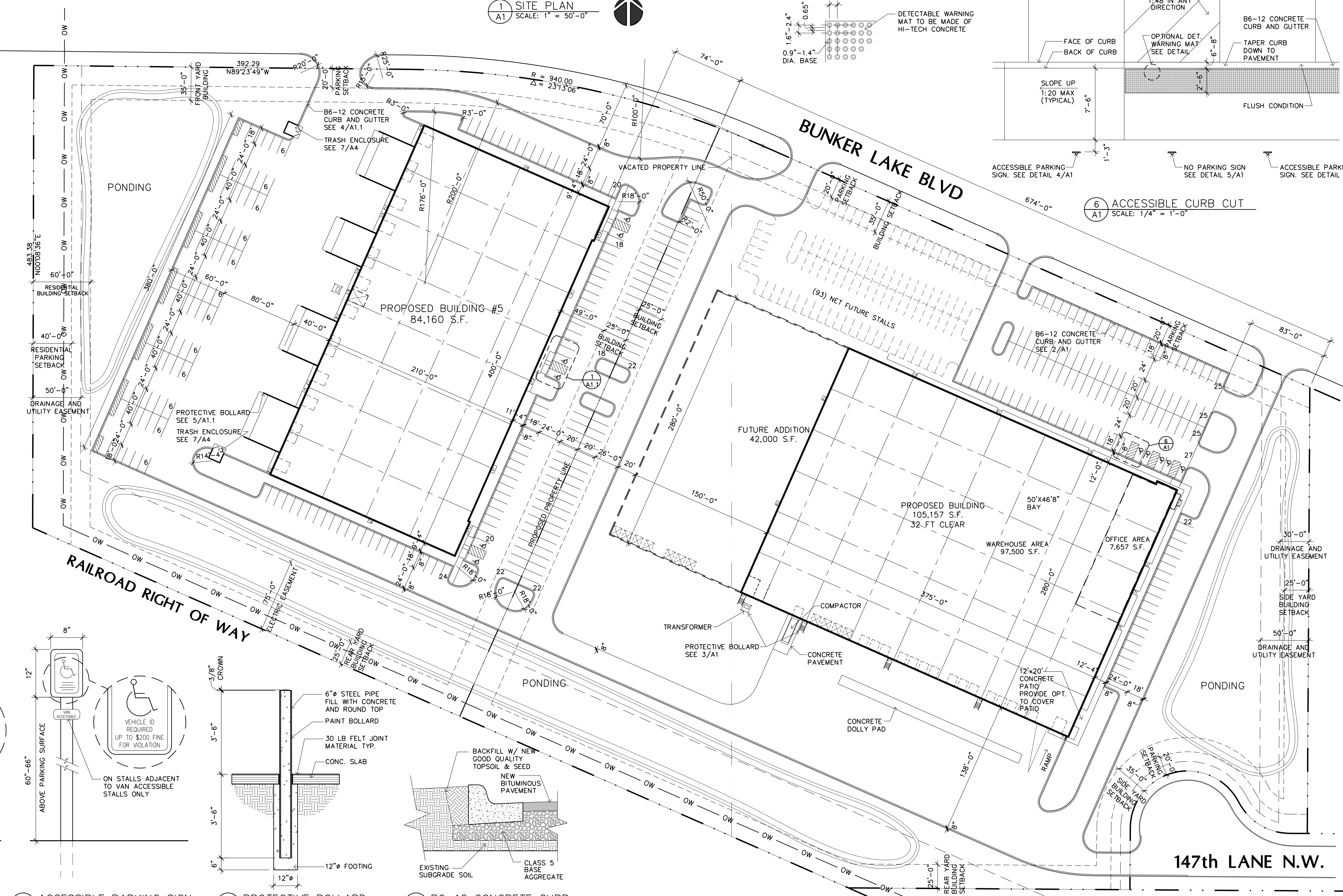
NOTE: WALKING SURFACE SHALL COMPLY WITH ICC/ANSI A117.1 SECTION 403 AND 705
 NOTE: CURB RAMP AND ACCESSIBLE AISLE/ STALL(S) SHALL BE DESIGNED TO PREVENT WATER FROM PONDING
 NOTE: CROSS SLOPES ON WALKING SURFACE NOT TO EXCEED 1:48



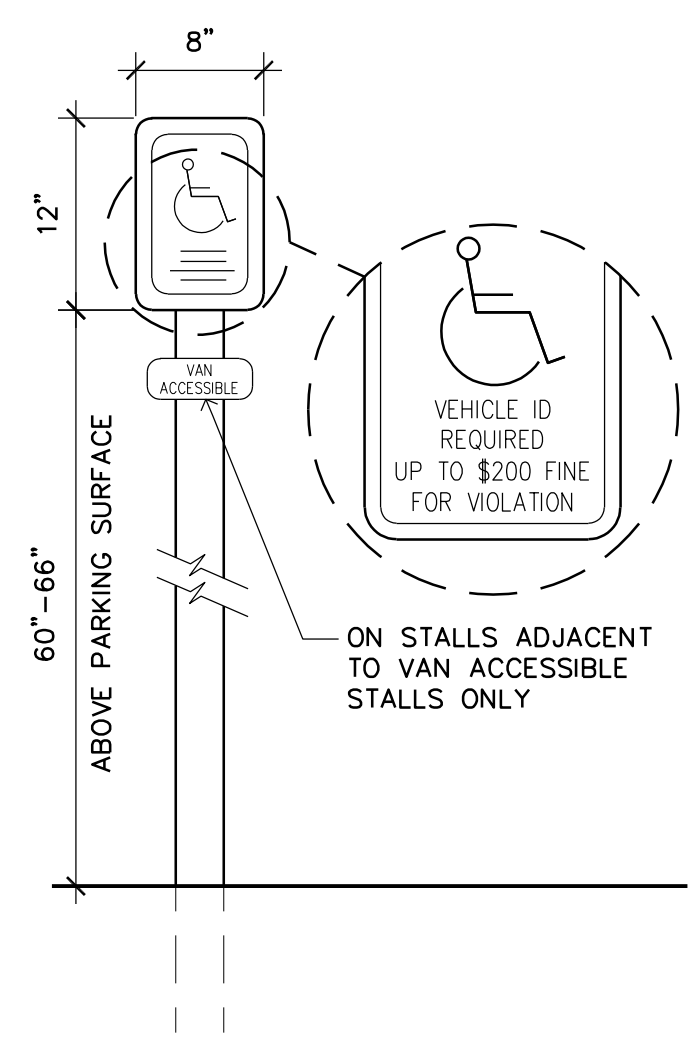
DETECTABLE WARNING MAT TO BE MADE OF HI-TECH CONCRETE



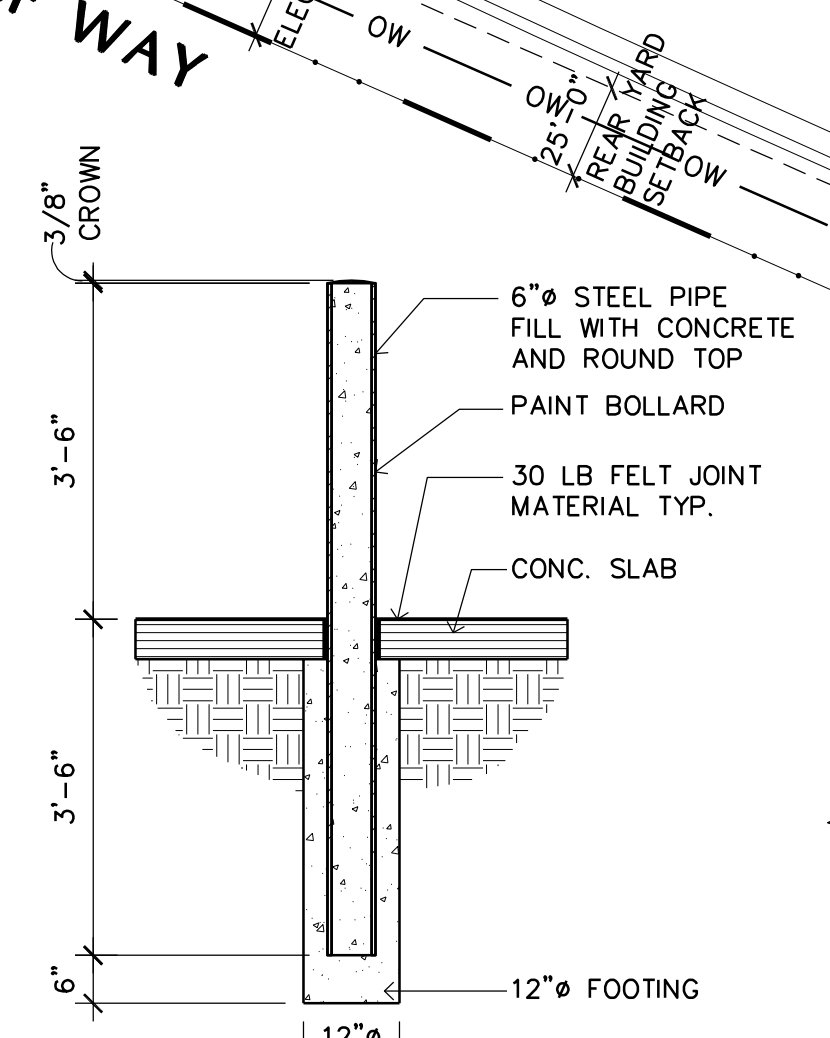
6 ACCESSIBLE CURB CUT
 SCALE: 1/4" = 1'-0"



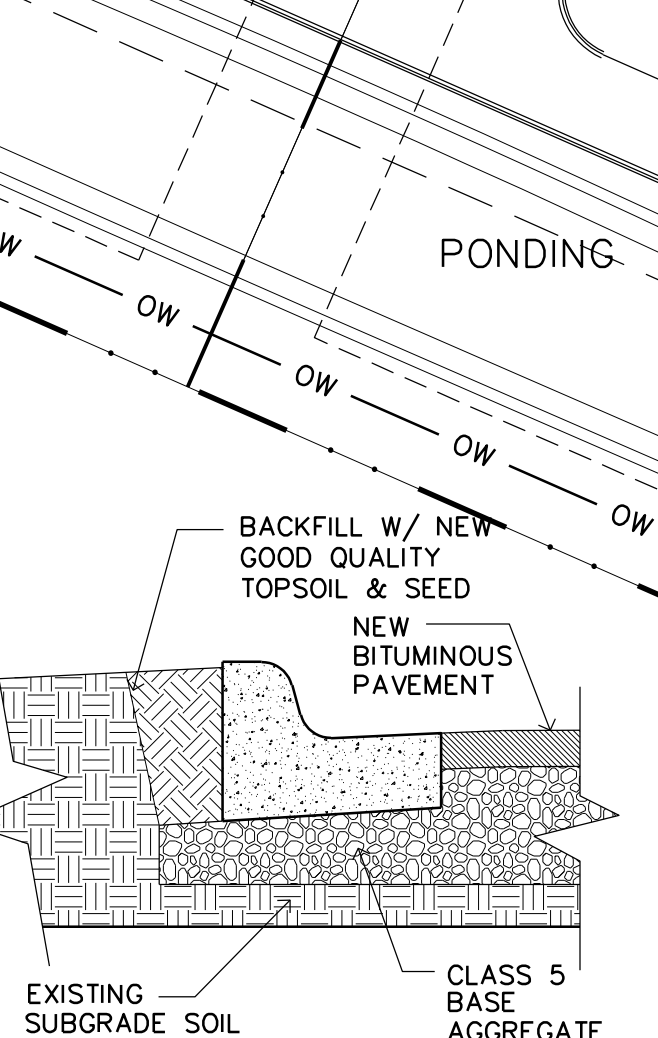
5 NO PARKING SIGN
 SCALE: 1" = 1'-0"



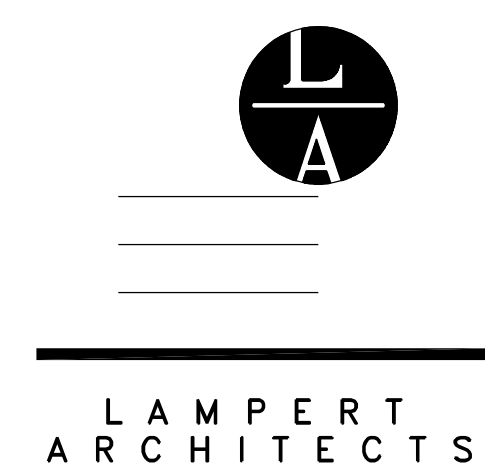
4 ACCESSIBLE PARKING SIGN
 SCALE: 1" = 1'-0"



3 PROTECTIVE BOLLARD
 SCALE: 1/2" = 1'-0"



2 B6-12 CONCRETE CURB
 SCALE: 1/2" = 1'-0"



LAMPERT ARCHITECTS

420 Summit Avenue
 St. Paul, MN 55102
 Phone: 763.755.1211 Fax: 763.757.2849
 lampert@lampert-arch.com

ARCHITECT CERTIFICATION:
 I HEREBY CERTIFY THAT THIS PLAN, SPECIFICATION OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED ARCHITECT UNDER THE LAWS OF THE STATE OF MINNESOTA.

PRELIMINARY
 NOT FOR CONSTRUCTION

BUNKER LAKE INDUSTRIAL PARK
 MEDART, INC.
 Ramsey, Minnesota

Copyright 2023
 Leonard Lampert Architects Inc.

Project Designer: JAMES B

Drawn By: ALE

Checked By: LL

Revisions

9/6/23 PRELIMINARY

11/28/23 FINAL REVIEW

SITE PLAN

Sheet Number

A1

Project No. 220506-1

MEMORANDUM

TO: Sean Sullivan, Economic Development Manager
FROM: Jason Aarsvold, Ehlers
DATE: January 31, 2024
SUBJECT: Medart Financial Assistance Request

The City of Ramsey (the “City”) received a request for financial assistance from Medart, Inc. for construction of a new facility located at Bunker Lake Blvd. and Puma Drive. Medart proposes construction of an approximately 105,000 square foot warehouse/distribution facility. The project is expected to add 43 additional employees in the City with wages of \$18.00 to \$21.00 per hour or more. Some of these jobs will be transferred from another facility within Minnesota but qualify as new jobs created in Ramsey for purposes of determining this business subsidy.

Medart is requesting \$1.5 million in total tax increment assistance from the City to help offset project costs and to make the Ramsey site competitive with less expensive location alternatives. This is a present value of \$1,157,000 assuming a 5% interest rate. The project is eligible for inclusion in a 9-year economic development TIF district since it is primarily a warehouse / distribution use. The purpose of this memorandum is to provide a summary of Ehlers’ analysis and recommendation for TIF support related to Medart’s request.

TIF Projection

Based on current projections, a \$1.5 million TIF note (with 0% interest) could be repaid within the full 9-year duration of a new TIF district. This assumes a project valued at just over \$12.5 million (\$119 sq. ft.), pursuant to an estimate provided by the County Assessor. This also assumes that the fiscal disparities portion of Medart’s taxes are captured as TIF and available for payment on the note.

When a new TIF district is created, the City has the option to determine whether or not it will capture the fiscal disparities (FD) portion of the taxes for the development. If the City elects to capture the FD portion of the tax (known as the “a” election), there is more TIF available for the development. There will, however, be a tax impact to the remaining taxpayers since the City still needs to pay the FD portion of taxes to the State. If the City elects to not capture the FD portion of the tax (known as “b” election), there will be less TIF available for the development, but no impact to the other taxpayers in the City.

For purposes of this analysis, we have assumed the “a” election to maximize the amount of TIF available for the development. This adds approximately \$399,000 in available assistance. To estimate how this would impact other taxpayers, we determine how much the City’s tax rate would have to increase to capture the same amount of FD portion of taxes to pay into the State pool. Based on the preliminary pay 2024 levy and total tax capacity of the City, we estimate the

City’s tax rate would need to increase by 0.062% to make up for tax capacity captured as TIF in the “a” election scenario. This increase means the median value home in Ramsey (\$350,100) would have a tax bill that was \$2.08 higher annually.

Pro Forma Analysis

Since the facility will be owned by the company, this analysis treats the Medart project as an independent income producing real estate venture that might be built by a third party (developer) and leased back to the business. In this scenario, we explored whether the project costs and end sources of funds (rent paid by the business) would meet typical market returns to attract private financing from a bank and developer equity. From this analysis, we conclude TIF assistance up to \$1.5 million (\$1.157 million present value) is justified for the project.

The table below shows the proposed sources and uses of funds without any assistance and with the recommended level of assistance.

SOURCES	WITH ASSISTANCE		WITHOUT ASSISTANCE	
	Amount	Pct.	Amount	Pct.
Developer Financing - 1st Mortgage	8,205,421	70.00%	8,205,421	70.00%
Developer Financing - TIF	1,157,031	9.87%	0	0.00%
Developer Equity	2,359,578	20.13%	3,516,609	30.00%
TOTAL SOURCES	11,722,030	100.00%	11,722,030	100.00%

USES				
	Amount	% of Cost	Amount	% of Cost
Acquisition Costs	2,689,830	22.95%	2,689,830	22.95%
Construction Costs / Site Work	7,472,000	63.74%	7,472,000	63.74%
Financing Costs Prof. Services	0	0.00%	0	0.00%
Site Improvements	1,560,200	13.31%	1,560,200	13.31%
Machinery and Equipment	0	0.00%	0	0.00%
TOTAL USES	11,722,030	100.00%	11,722,030	100.00%

If this project were to be delivered by a developer on a for-lease basis to Medart in the current market, the developer may be expected to provide 30 percent equity to obtain debt financing for the remaining 70 percent of project costs. This is the assumption used in the analysis and included on the table above.

A developer building a project like this for lease back to a tenant would anticipate receiving a 10 percent Cash-on-Cash (“COC”) return. A COC rate of return is simply the annual net cashflow from the project (after expenses and debt service) divided by the initial equity investment. A 10 percent COC is standard for this type of project.

Based on the total development costs and proposed financing for this project, we estimate a business (like Medart) would need to pay a blended lease rate of approximately \$9.70 per square foot without any assistance for a developer to achieve an average 10 percent COC return for this

project over 9 years (the anticipated term of tax increment payments). We estimate that a blended market lease rate for Ramsey is in the \$7.50 to \$9.50 per square foot range.

This analysis indicates Medart would need to pay a lease rate that is higher than the market rate to occupy the property, demonstrating assistance for the project may be warranted. If we assume a developer receives the recommended \$1.5 million in total TIF assistance, Medart would need to pay a lease rate of approximately \$8.75 per square foot for the developer to achieve an average 10 percent COC return for this project within 9 years. This lease rate is within the appropriate market range for Ramsey, meaning no more than \$1.5 million should be necessary to support the project.

Providing the requested assistance is reasonable to help secure construction of the project within the City of Ramsey. Please contact me at 651-697-8512 if you have any questions or require further information.

Medart Inc. Valuation, Tax and TIF Summary 2.1.24

	Anoka County	Estimated Real	Total TIF	Total TIF	TIF	Annual TIF	Taxes less	Annual	Total
Date	Estimate Valuation	Estate Taxes	Available (b elect)	Available (a-elect)	Offered	5 years	TIF (Annual)	Shortfall	Shortfall
11/16/2023	\$ 14,376,300	\$ 387,868	\$ 1,282,791	N/A	\$ 550,000	\$ 110,000	\$ 277,868	\$ 110,000	\$ 990,000

*Due to TIF Amount Proposed and Estimated Property Taxes, Owner decide to pull case from EDA Agenda on 12/14/23 to evaluate other site options further. Annual difference from Wright County approximately \$110,000 annually close to 1M Total (Shorter Duration too - 5 years)

	Anoka County	Estimated Real	Total TIF	Total TIF	TIF	Annual TIF	Taxes less	Annual	Total
Date	Estimate Valuation	Estate Taxes	Available (b elect)	Available (a-elect)	Offered	5 years	TIF (Annual)	Shortfall	Shortfall
12/27/2023	\$ 12,920,000	\$ 348,413	\$ 1,083,860	\$ 1,474,174	\$ 550,000	\$ 110,000	\$ 238,413	\$ 70,545	\$ 792,725
Net Change	\$ (1,456,300)	\$ (39,455)	\$ (198,931)		\$ -	\$ -	\$ (39,455)		

*Asked County to review Estimated Assessed Value. Shared value with Medart which was helpful but the \$550,000 TIF number still not enough to close the difference between Wright County Site. Wright County exempt from Fiscal Disparities

Date	Low Range Value	Low Range Tax	High Range Value	High Range Tax
1/4/2024	\$ 11,726,900	\$ 316,090	\$ 13,515,900	\$ 364,588
Net Change	\$ (2,649,400)	\$ (71,778)	\$ (860,400)	\$ (23,280)

* 1/4/24 City Meets with Anoka County to discuss future valuation estimates further. Anoka County Assessor determines providing a range in valuation could be used for and estimate. No TIF Calc on Range

	Anoka County	Estimated Real	Total TIF	Total TIF	TIF	Annual TIF	Taxes less	Annual	Total
Date	Estimate Valuation	Estate Taxes	Available (b elect)	Available (a-elect)	Offered	9 years	TIF (Annual)	Shortfall	Shortfall
1/22/2024	\$ 12,544,350	\$ 338,237	\$ 1,108,113	N/A	\$ 1,108,113	\$ 123,124	\$ 215,113	\$ 47,245	\$ 425,205
Net Change	\$ (1,831,950)	\$ (49,631)	\$ (174,678)	N/A	\$ 558,113	\$ 13,124	\$ (62,755)		
1/22/2024	\$ 12,544,350	\$ 338,237	N/A	\$ 1,507,161	\$ 1,500,000	\$ 166,667	\$ 171,570	\$ 3,702	\$ 33,318
Net Change	\$ (1,831,950)	\$ (49,631)	N/A	\$ 32,987	\$ 950,000	\$ 56,667	\$ (106,298)		

* Building size increases from 98,000 SF to 105,000 SF. Adjustments to Valuation and TIF runs made to accommodate Mid Range Value of \$12.544M (\$119.47/SF) \$106,298 Annual Reduction (TIF - A Elect) nearly closes the \$110,000 / year difference communicated initially (Longer Duration - 9 years)

Medart - No Inflation

City of Ramsey, MN

105,000 sq. ft. Distribution



ASSUMPTIONS AND RATES

District Type:	Economic Development
District Name/Number:	
County District #:	
First Year Construction or Inflation on Value	2024
Existing District - Specify No. Years Remaining	
Inflation Rate - Every Year:	0.00%
Interest Rate:	5.00%
Present Value Date:	1-Aug-25
First Period Ending	1-Feb-26
Tax Year District was Certified:	Pay 2024
Cashflow Assumes First Tax Increment For Development:	2026
Years of Tax Increment	9
Assumes Last Year of Tax Increment	2034
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	Outside(A)
Incremental or Total Fiscal Disparities	Incremental
Fiscal Disparities Contribution Ratio	26.4768% Prelim. Pay 2024
Fiscal Disparities Metro-Wide Tax Rate	123.0260% Prelim. Pay 2024
Maximum/Frozen Local Tax Rate:	85.070% Prelim. Pay 2024
Current Local Tax Rate: (Use lesser of Current or Max.)	85.070% Prelim. Pay 2024
State-wide Tax Rate (Comm./Ind. only used for total taxes)	30.0000% Prelim. Pay 2024
Market Value Tax Rate (Used for total taxes)	0.20680% Prelim. Pay 2024

Tax Rates	
Exempt Class Rate (Exempt)	0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)	
First \$150,000	1.50%
Over \$150,000	2.00%
Commercial Industrial Class Rate (C/I)	2.00%
Rental Housing Class Rate (Rental)	1.25%
Affordable Rental Housing Class Rate (Aff. Rental)	
First \$100,000	0.25%
Over \$100,000	0.25%
Non-Homestead Residential (Non-H Res. 1 Unit)	
First \$500,000	1.00%
Over \$500,000	1.25%
Homestead Residential Class Rate (Hmstd. Res.)	
First \$500,000	1.00%
Over \$500,000	1.25%
Agricultural Non-Homestead	1.00%

BASE VALUE INFORMATION (Original Tax Capacity)

Map ID	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Tax Year Original Market Value	Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.	Area/ Phase
1	29-32-25-21-0005	PSD Inc.	Unassigned	1,508,100	0	1,508,100	58%	873,772	Pay 2024	C/I Pref.	16,725	C/I Pref.	16,725	1
				1,508,100	0	1,508,100		873,772			16,725		16,725	

Note:

1. Base values are for pay 2024 based on review of County website on 11-21-23. 11.13 of the total 19.21 used for the project
2. Located in SD #11, WS - Lower Rum River

Medart - No Inflation
 City of Ramsey, MN
 105,000 sq. ft. Distribution



PROJECT INFORMATION (Project Tax Capacity)													
Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2024	Percentage Completed 2025	Percentage Completed 2026	Percentage Completed 2027	First Year Full Taxes Payable
TOTAL		119.47	119.47	105,000	12,544,350	C/I Pref.	250,137	2	50%	100%	100%	100%	2027
Subtotal Residential				0	0		0						
Subtotal Commercial/Ind.				105,000	12,544,350		250,137						

Note:

- Market values are based upon estimates from the County Assessor.

TAX CALCULATIONS									
New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
0	250,137	66,228	183,909	156,451	81,478	74,366	25,942	338,237	3.22
TOTAL	250,137	66,228	183,909	156,451	81,478	74,366	25,942	338,237	

Note:

- Taxes and tax increment will vary significantly from year to year depending upon values, rates, state law, fiscal disparities and other factors which cannot be predicted.

WHAT IS EXCLUDED FROM TIF?	
Total Property Taxes	338,237
less State-wide Taxes	(74,366)
less Fiscal Disp. Adj.	(25,138)
less Market Value Taxes	(25,942)
less Base Value Taxes	(14,228)
Annual Gross TIF	198,563



Medart - No Inflation
 City of Ramsey, MN
 105,000 sq. ft. Distribution

TAX INCREMENT CASH FLOW

% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 10%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
100%	125,069	(16,725)	-	108,343	85.070%	92,167	46,084	(166)	(4,592)	41,326	39,335	0.5	2026	02/01/26
100%	250,137	(16,725)	-	233,412	85.070%	198,563	46,084	(166)	(4,592)	41,326	77,710	1	2026	02/01/27
100%	250,137	(16,725)	-	233,412	85.070%	198,563	99,282	(357)	(9,892)	89,032	158,368	1.5	2027	08/01/27
100%	250,137	(16,725)	-	233,412	85.070%	198,563	99,282	(357)	(9,892)	89,032	237,060	2	2027	02/01/28
100%	250,137	(16,725)	-	233,412	85.070%	198,563	99,282	(357)	(9,892)	89,032	313,831	2.5	2028	08/01/28
100%	250,137	(16,725)	-	233,412	85.070%	198,563	99,282	(357)	(9,892)	89,032	388,731	3	2028	02/01/29
100%	250,137	(16,725)	-	233,412	85.070%	198,563	99,282	(357)	(9,892)	89,032	461,803	3.5	2029	08/01/29
100%	250,137	(16,725)	-	233,412	85.070%	198,563	99,282	(357)	(9,892)	89,032	533,094	4	2029	02/01/30
100%	250,137	(16,725)	-	233,412	85.070%	198,563	99,282	(357)	(9,892)	89,032	602,645	4.5	2030	08/01/30
100%	250,137	(16,725)	-	233,412	85.070%	198,563	99,282	(357)	(9,892)	89,032	670,500	5	2030	02/01/31
100%	250,137	(16,725)	-	233,412	85.070%	198,563	99,282	(357)	(9,892)	89,032	736,700	5.5	2031	08/01/31
100%	250,137	(16,725)	-	233,412	85.070%	198,563	99,282	(357)	(9,892)	89,032	801,286	6	2031	02/01/32
100%	250,137	(16,725)	-	233,412	85.070%	198,563	99,282	(357)	(9,892)	89,032	864,296	6.5	2032	08/01/32
100%	250,137	(16,725)	-	233,412	85.070%	198,563	99,282	(357)	(9,892)	89,032	925,769	7	2032	02/01/33
100%	250,137	(16,725)	-	233,412	85.070%	198,563	99,282	(357)	(9,892)	89,032	985,743	7.5	2033	08/01/33
100%	250,137	(16,725)	-	233,412	85.070%	198,563	99,282	(357)	(9,892)	89,032	1,044,255	8	2033	02/01/34
100%	250,137	(16,725)	-	233,412	85.070%	198,563	99,282	(357)	(9,892)	89,032	1,101,339	8.5	2034	08/01/34
							99,282	(357)	(9,892)	89,032	1,157,031	9	2034	02/01/35
Total							1,680,673	(6,050)	(167,462)	1,507,161				
Present Value From 08/01/2025							1,290,234	(4,645)	(128,559)	1,157,031				
Present Value Rate							5.00%							

Medart - No Inflation

City of Ramsey, MN

105,000 sq. ft. Distribution



ASSUMPTIONS AND RATES

District Type:	Economic Development
District Name/Number:	
County District #:	
First Year Construction or Inflation on Value	2024
Existing District - Specify No. Years Remaining	
Inflation Rate - Every Year:	0.00%
Interest Rate:	5.00%
Present Value Date:	1-Aug-25
First Period Ending	1-Feb-26
Tax Year District was Certified:	Pay 2024
Cashflow Assumes First Tax Increment For Development:	2026
Years of Tax Increment	9
Assumes Last Year of Tax Increment	2034
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	Inside(B)
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Fiscal Disparities Metro-Wide Tax Rate	123.0260% Prelim. Pay 2024
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Current Local Tax Rate: (Use lesser of Current or Max.)	85.070% Prelim. Pay 2024
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Market Value Tax Rate (Used for total taxes)	0.20680% Prelim. Pay 2024

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Affordable Rental Housing Class Rate (Aff. Rental)	
First \$100,000	0.25%
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Non-Homestead Residential (Non-H Res. 1 Unit)	
First \$500,000	1.00%
Over \$500,000	1.25%
Homestead Residential Class Rate (Hmstd. Res.)	
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				1,508,100	0	1,508,100		873,772			16,725		16,725	

Note:

1. Base values are for pay 2024 based on review of County website on 11-21-23. 11.13 of the total 19.21 used for the project
2. Located in SD #11, WS - Lower Rum River

Medart - No Inflation
 City of Ramsey, MN
 105,000 sq. ft. Distribution



PROJECT INFORMATION (Project Tax Capacity)													
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TOTAL		119.47	119.47	105,000	12,544,350	C/I Pref.	250,137	2	50%	100%	100%	100%	2027
Subtotal Residential				0	0		0						
Subtotal Commercial/Ind.				105,000	12,544,350		250,137						

Note:

- Market values are based upon estimates from the County Assessor.

TAX CALCULATIONS									
New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
0	250,137	66,228	183,909	156,451	81,478	74,366	25,942	338,237	3.22
TOTAL	250,137	66,228	183,909	156,451	81,478	74,366	25,942	338,237	

Note:

- Taxes and tax increment will vary significantly from year to year depending upon values, rates, state law, fiscal disparities and other factors which cannot be predicted.

WHAT IS EXCLUDED FROM TIF?	
Total Property Taxes	338,237
less State-wide Taxes	(74,366)
less Fiscal Disp. Adj.	(81,478)
less Market Value Taxes	(25,942)
less Base Value Taxes	(10,461)
Annual Gross TIF	145,990



Medart - No Inflation
 City of Ramsey, MN
 105,000 sq. ft. Distribution

TAX INCREMENT CASH FLOW

% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 10%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
100%	125,069	(16,725)	(28,686)	79,657	85.070%	67,764	33,882	(122)	(3,376)	30,384	28,920	0.5	2026	02/01/26
100%	250,137	(16,725)	(61,800)	171,612	85.070%	145,990	33,882	(122)	(3,376)	30,384	57,135	1	2026	02/01/27
100%	250,137	(16,725)	(61,800)	171,612	85.070%	145,990	72,995	(263)	(7,273)	65,459	116,438	1.5	2027	08/01/27
100%	250,137	(16,725)	(61,800)	171,612	85.070%	145,990	72,995	(263)	(7,273)	65,459	174,294	2	2027	02/01/28
100%	250,137	(16,725)	(61,800)	171,612	85.070%	145,990	72,995	(263)	(7,273)	65,459	230,739	2.5	2028	08/01/28
100%	250,137	(16,725)	(61,800)	171,612	85.070%	145,990	72,995	(263)	(7,273)	65,459	285,807	3	2028	02/01/29
100%	250,137	(16,725)	(61,800)	171,612	85.070%	145,990	72,995	(263)	(7,273)	65,459	339,533	3.5	2029	08/01/29
100%	250,137	(16,725)	(61,800)	171,612	85.070%	145,990	72,995	(263)	(7,273)	65,459	391,947	4	2029	02/01/30
100%	250,137	(16,725)	(61,800)	171,612	85.070%	145,990	72,995	(263)	(7,273)	65,459	443,084	4.5	2030	08/01/30
100%	250,137	(16,725)	(61,800)	171,612	85.070%	145,990	72,995	(263)	(7,273)	65,459	492,973	5	2030	02/01/31
100%	250,137	(16,725)	(61,800)	171,612	85.070%	145,990	72,995	(263)	(7,273)	65,459	541,646	5.5	2031	08/01/31
100%	250,137	(16,725)	(61,800)	171,612	85.070%	145,990	72,995	(263)	(7,273)	65,459	589,131	6	2031	02/01/32
100%	250,137	(16,725)	(61,800)	171,612	85.070%	145,990	72,995	(263)	(7,273)	65,459	635,458	6.5	2032	08/01/32
100%	250,137	(16,725)	(61,800)	171,612	85.070%	145,990	72,995	(263)	(7,273)	65,459	680,655	7	2032	02/01/33
100%	250,137	(16,725)	(61,800)	171,612	85.070%	145,990	72,995	(263)	(7,273)	65,459	724,750	7.5	2033	08/01/33
100%	250,137	(16,725)	(61,800)	171,612	85.070%	145,990	72,995	(263)	(7,273)	65,459	767,769	8	2033	02/01/34
100%	250,137	(16,725)	(61,800)	171,612	85.070%	145,990	72,995	(263)	(7,273)	65,459	809,739	8.5	2034	08/01/34
							72,995	(263)	(7,273)	65,459	850,686	9	2034	02/01/35
Total							1,235,685	(4,448)	(123,124)	1,108,113				
Present Value From 08/01/2025							948,622	(3,415)	(94,521)	850,686				

Schedule of Events

City of Ramsey Anoka County, Minnesota

For the proposed Modification to the Development Program for Development District No. 1 & the proposed establishment of Tax Increment Financing District No. 19 (Medart) (an economic development district)

Draft as of November 21, 2023

February 8, 2023	EDA meets at 7:30 a.m. to consider TIF request and makes recommendation to City Council
February 13, 2024	City Council meets at 7:00 p.m. to consider TIF request and call for a public hearing establishing the TIF District
February 14, 2023	Project information, property identification numbers, fiscal impacts and maps sent to Ehlers for drafting documentation. Ehlers confirms whether building permits have been issued on the property to be included in the TIF District.
February 20, 2024	Letter received by County Commissioner giving notice of potential TIF district (at least 30 days prior to publication of public hearing notice). [Ehlers will distribute.]
By March 4, 2024	Ehlers conducts internal review of Plans.
March 8, 2024	Fiscal/economic implications received by School Board Clerk and County Auditor (at least 30 days prior to public hearing) and County receives information for review of county road impacts. [Ehlers will distribute.] *The County Board, by law, has 45 days to review the TIF Plan to determine if any county roads will be impacted by the development. Because City staff believes that the proposed TIF district will not require unplanned county road improvements, the TIF Plan was not forwarded to the County Board 45 days prior to the public hearing. Please be aware the County Board could claim that tax increment should be used for county roads, even after the public hearing.
March 14, 2024	EDA meets at 7:30 AM to consider recommending the Plans in connection with the TIF District. [Attorney provides resolution by March 5, 2024.]

March 22, 2024	Publication of hearing notice and map in the Anoka County Union Herald (at least 10 days but not more than 30 days prior to hearing). [Ehlers will submit notice, map and instructions. Publication deadline: March 19, 2024.]
April 9, 2024	<p>City Council holds public hearing at 7:00 PM on the modification to the Development Program for Development District No. 1 and the proposed Establishment of Tax Increment Financing District No. 19 (Medart) and considers a resolution approving the Plans. [Ehlers and attorney provide packet information April 2, 2024.]</p> <p>City Council considers approval of TIF agreement.</p> <p>City considers an Interfund Loan resolution in connection with the TIF District.</p>
April 10, 2024	City may issue building permits.
Before June 30, 2024	Ehlers files the Plans with the MN Department of Revenue, Office of the State Auditor, and requests certification of the TIF District with the County.

An action under subdivision 1, paragraph (a), contesting the validity of a determination by an authority under section 469.175, subdivision 3, must be commenced within the later of:

(1) 180 days after the municipality's approval under section 469.175, subdivision 3; or

(2) 90 days after the request for certification of the district is filed with the county auditor under section 469.177, subdivision 1.

Economic Development Authority (EDA)

4. 2.

Meeting Date: 02/08/2024

Submitted For: Sean Sullivan, Community Development

By: Sean Sullivan, Community Development

Title:

Consider Approval of Purchase Agreement and Right of Re-Entry Agreement for Lot 2, Block 1, COR FOUR (Portions may be closed to the public) **(CASE REVISED 2.6.24)**

Purpose/Background:

Purpose:

The purpose of this case is to consider entering into a purchase agreement with Garage RE LLC (Take 5) or Midland Atlantic Development Company (Valvoline) to purchase and develop an oil change business on Lot 2, Block 1, COR FOUR.

The EDA may choose to go into closed session pursuant to Minnesota Statutes section 13D.05, subdivision 3(c)(3) to consider offers or counteroffers for the purchase or sale of real or personal property. If the EDA chooses to enter into to closed session the statute and reason above needs to be referenced along with legal description (Lot 2, Block 1, COR FOUR) and the Anoka County Tax ID number 28-32-25-23-0023.

Background:

City Staff has been working with Take 5 and Valvoline for over 6 months. Both have expressed interest in developing the 1.16 acre site south of the Aldi under construction. Staff has reviewed the two proposals and they are similar for the purchase price and the request to discount the purchase price for construction of a required parking lot south of the site of the oil change development. However, there are significant differences related to the willingness to enter into a standard Right of Re-Entry Agreement and the request for a buyback provision if the project doesn't move forward. Take 5 is willing to enter into our standard city Right of Re-entry Agreement for their oil change development and Valvoline is not. Take 5 has provided a site plan showing the oil change business and a future development of the remnant parcel. Valvoline submitted a revised proposal on Friday, February 2nd that includes a site plan showing a development plan for the remnant parcel. Both parties offered \$404,236 (\$8.00/SF), full listing price, and asked for a discount for an offsite parking lot that will be required as part of the development of this parcel. Valvoline Cost estimate for the additional parking lot results in a larger purchase price for the city of about \$15,000.

Parking Lot Construction

The First Amendment to Declaration of Easements, Covenants and Restrictions for COR Two requires the City/Future Developer to construct a 20 space parking lot north of Northstar Marketplace when Lot 1, Block 1 COR Two (now generally Lot 2, Block 1, COR FOUR) develops. Staff received two estimates for this offsite construction and the pricing averaged \$125,000 in additional expense for the developer. Staff has deducted \$125,000 from the Purchase Price of \$404,236 for a net of \$279,236 for the Take 5 Development included in the proposed Purchase Agreement with Garage RE LLC (Take 5). Take 5 has agreed to construct this additional parking lot as part of their 1,800 square foot oil change development. Valvoline's Lot price has been discounted \$110,000 based on the cost estimate for the parking lot provided by their contractor.

Notification:

Notification is not required.

Observations/Alternatives:

Observations:

Key terms for the Purchase Agreement(s) are below with Take 5 being baseline and Valvoline in (Parenthesis). The offers are similar but not identical with significant changes to Right of Re-Entry, Parcel buy back, timing and site concepts:

Real Estate (SAME)	Tax ID Number: 28-32-25-23-0023. Lot 2, Block 1, COR FOUR, (Parcel 42a)
Acreeage	Approximately 1.16 acres or 50,529 SF (SAME)
Asking Price	\$404,236 (\$8.00 / SF) (SAME)
Offer Price	\$404,236 (\$8.00 / SF) – Net \$279,236 (\$5.52/SF) (Subject to change based on actual cost of construction of 20 space parking lot on Northstar Marketplace site and connection to Take 5 development (Same, Net increase \$294,236.80)
Earnest Money	\$15,000 Non-refundable upon Notice to Proceed being executed. (SAME)
Inspection Period	180 days from Effective Date (Date City Council approves) (city requires plat (If needed)/ site plan approval before sale)(SAME)
Closing	Within 30 days of Notice to Proceed.
Commission	3.5% commission for Jones Lang LaSalle Brokerage and 3.5% to CBRE. (Same percentages but with Midland Atlantic)
Extensions to Close	Developer will deposit \$5,000 in escrow for each 30-day extension (2 extensions allowed) Once extensions are made the money becomes non-refundable. (SAME)
City take care of	Provide existing plat information and updated Title Commitment.(SAME)
Performance	City to require construction of a minimum 1,800 SF commercial/retail building (Take 5 Oil Change) compliant with COR Zoning requirements and obtain a Certificate of Occupancy 12 months after Closing. If this is not done, the City may exercise the Right of Re-Entry. In addition, the Developer will be responsible for construction of 20 space parking lot on Northstar Marketplace site and connection to Take 5 development and future plat (if needed) for Remnant building site. Very Different - Within twenty-four months from the Closing Date, Buyer shall obtain all permits and approvals for a minimum 1,674 SF oil change building and to construction of 20 space parking lot on Northstar Marketplace site and connection to oil change development)
Right of Re-Entry	A Right of Re-entry Agreement requiring a C/O within 12 months of closing will be required for the Take 5 Oil Change Development. The Right of Re-Entry will not require the developer to develop the remnant parcel. Very Different - 24 months instead of 12 months, No C/O required only permits and approvals, City parcel buyback at purchase price less commission)

Additional Items To Consider:

- Is this a use on this site that the EDA supports?
- Does the City want to wait and see if it can get a larger/different user that maximizes the site initially?
- Is the City OK with the Developer retaining the remnant land to the west to develop at a future date ? (we do have protections for good users due to Aldi Restrictions)
- Does the EDA like the layout

Site Plan:

This site plan has not yet gone through formal site plan review and shall not be considered as any indication of compliance with Zoning Code. Planning Staff however, has reviewed the plan, provided input on the plan and is generally happy with it with some minor modifications. Official site plan review might result in required changes to the attached site plan. Based on the the terms proposed by Valvoline for the Right of Re-Entry and the time-frame. Staff is more comfortable recommending the the Take 5 project based on its adherence to the City form of the deal, namely agreeing to the Standard City Right of Re-Entry Agreement. Staff believes that the Valvoline site plan has its advantages and has asked Take 5 whether they would be willing to swap building locations on their site as well.

Alternatives:

1) Recommendation to City Council to approve Purchase Agreement and Right of Re-Entry Agreement with Garage RE LLC (Take 5), or Midland Atlantic Development Company (Valvoline) (as presented); subject to City Attorney review.

- 2) Recommendation to City Council to approve Purchase Agreement and Right of Re-Entry Agreement with Garage RE LLC (Take 5) or Midland Atlantic Development Company (Valvoline) (with changes); subject to City Attorney review.
- 3) Reject offers from Garage RE LLC (Take 5) and Midland Atlantic Development Company (Valvoline) and Continue to Market the Property to Other Users.
- 4) Something else.

Funding Source:

This case is being handled as part of normal Staff duties.

Recommendation:

Recommendation to City Council to approve Purchase Agreement and Right of Re-Entry Agreement with Garage RE LLC (Take 5) (as presented); subject to City Attorney review.

This recommendation is based on Take 5's cillingness to adhere to our Right of Re-Entry Agreement and timeline.

Action:

Motion to recommend to City Council to approve Purchase Agreement and Right of Re-Entry Agreement with Garage RE LLC (Take 5) or Midland Atlantic Development Company (Valvoline) (as presented); subject to City Attorney review.

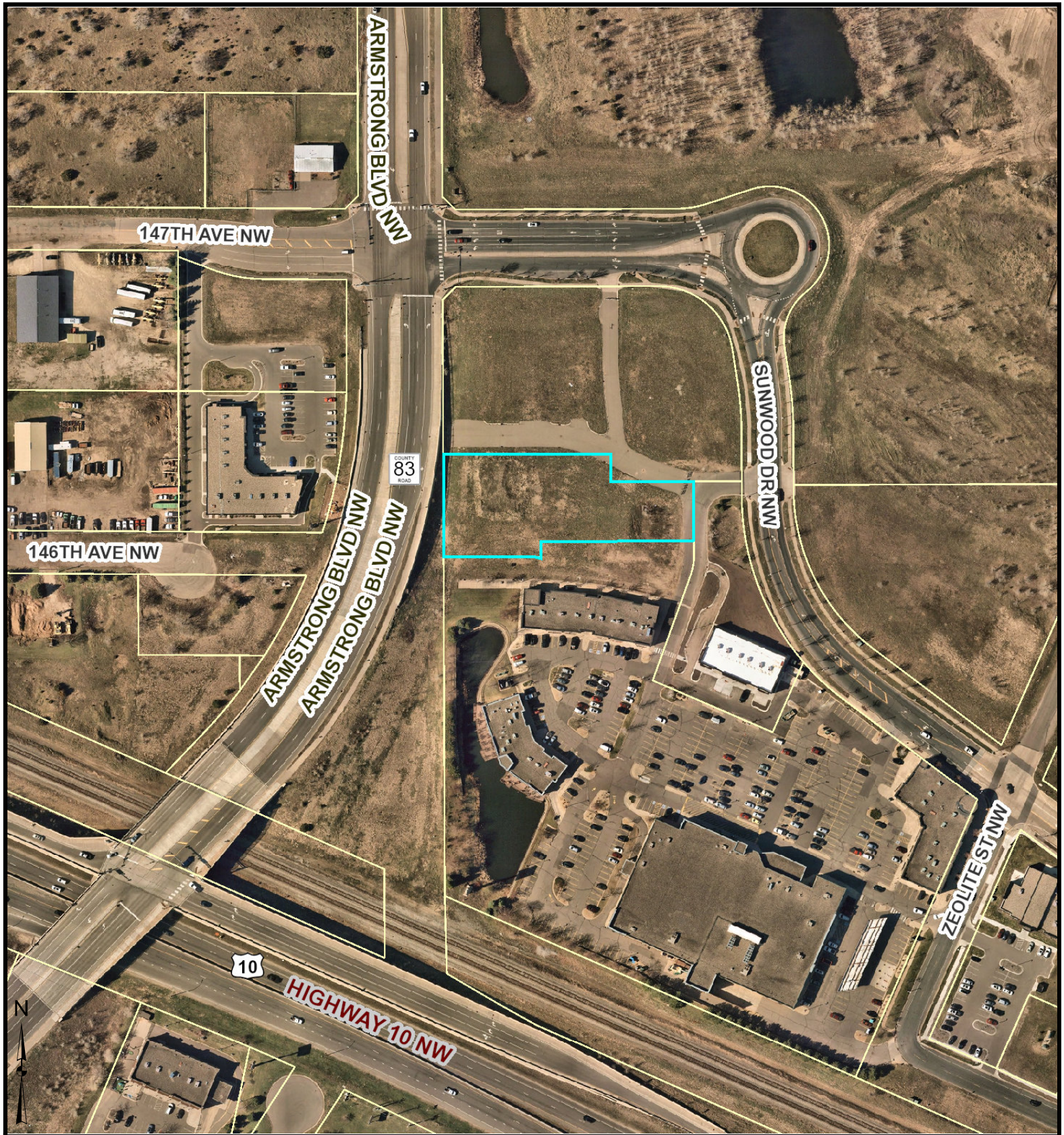
Attachments

- Site Location Map
- ACTION - Draft PA Take 5
- ACTION - RORE Take 5
- Term Sheet - Take 5
- Reference - Concept Plan (Take 5)
- ACTION - Draft PA Valvoline
- ACTION - Draft RORE Valvoline
- Term Sheet - Valvoline
- Reference - Valvoline Concept Plan

Form Review

Inbox	Reviewed By	Date
Sean Sullivan (Originator)	Sean Sullivan	02/01/2024 05:05 PM
Brian Hagen	Kathy Schmitz	02/02/2024 11:53 AM
Sean Sullivan (Originator)	Kathy Schmitz	02/06/2024 08:37 AM
Sean Sullivan (Originator)	Sean Sullivan	02/06/2024 01:48 PM
Form Started By: Sean Sullivan		Started On: 06/29/2022 04:16 PM
Final Approval Date: 02/06/2024		

Site Location Map (Take 5)



Parcel Information:

28-32-25-23-0023
7990 SUNWOOD DR NW
RAMSEY
MN 55303
Plat: COR FOUR

Approx. Acres: 1.15955277
Commissioner: MATT LOOK

Owner Information:

RAMSEY CITY OF
7550 SUNWOOD DRIVE
RAMSEY
MN
55303



Sean Sullivan

1:2,400

Date: 2/1/2024

Disclaimer: Map and parcel data are believed to be accurate, but accuracy is not guaranteed. This is not a legal document and should not be substituted for a title search, appraisal, survey, or for zoning verification.

PURCHASE AGREEMENT

This Agreement is entered into by and between the **City of Ramsey**, a Minnesota municipal corporation (“Seller”), and **Garage RE LLC & or Assigns**, a Minnesota Limited Liability Company (“Buyer”).

In consideration of the Earnest Money, the mutual covenants set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

1. **EFFECTIVE DATE.** The effective date of this Agreement is _____, 2024 (the “Effective Date”).
2. **SALE OF PROPERTY.** Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller approximately 1.16 acres 50,529 square feet) of vacant land, legally described as follows:

Lot 2, Block 1, COR FOUR

PID Number: 28-32-25-23-0023 (“Property”)
3. **PURCHASE PRICE.** The purchase price for the Property is \$279,236 (the “Purchase Price”). The price has been discounted from the asking price of \$404,236 to make funds available to construct a 20-space parking lot on the lot directly south of the Property.
4. **EARNEST MONEY AND ADDITIONAL EARNEST MONEY.** Within five business days after the Effective Date, Buyer must deposit the sum of \$15,000.00 (the “Earnest Money”) with (Insert Title Company that Buyer and Seller Mutually Agree Upon) (“Escrow Agent”), via wire transfer or delivery of a certified check payable to Escrow Agent.
 - a. If Buyer does not deposit the Earnest Money as required above, then Seller may terminate this Agreement by written notice to Buyer; provided, however, if Buyer deposits the Earnest Money with Escrow Agent before Seller exercises Seller’s right to terminate, Seller’s right to terminate is extinguished.
 - b. Upon Seller’s receipt of a Notice to Proceed from Buyer in accordance with Section 9(b), all of the Earnest Money becomes non-refundable (except in accordance with Section 22 as a result of a default by Seller).
 - c. If Buyer does not provide a Notice to Proceed to Seller in accordance with Section 9(b), this Agreement automatically terminates, and Escrow Agent must disburse all Earnest Money Escrow Agent holds to Buyer.

- d. At Closing, Escrow Agent shall disburse to Seller any Earnest Money not previously disbursed to Seller, and Buyer shall receive a credit against the Purchase Price owing at Closing in an amount equal to the amount of the Earnest Money.
5. **SURVEY.** Seller will provide the Buyer an ALTA/NSPS 2016 survey (Table A, items 1, 2, 3, 4, 5, 7A, 8, 11 and 14) for Lots 1, 2 and 3, Block 1, COR TWO (the “Survey”) from a duly licensed surveyor dated August 8, 2019 and a copy of the COR Four Plat. Buyer may arrange with the surveyor to include additional information on the Survey at Buyer’s expense.

6. **TITLE COMMITMENT.**

- a. Seller makes no representations or warranties with respect to the status of title to the Property. Within thirty (30) business days after the Effective Date, Seller shall, at Seller’s expense, obtain a commitment from Escrow Agent to issue an owner’s policy of title insurance insuring Buyer’s title to the Property (the “Title Commitment”) and deliver the Title Commitment and copies of or internet access to copies of all recorded documents referenced in the Title Commitment to Buyer.
- b. Buyer shall have until the date thirty (30) days after the receipt of the Title Commitment and the Survey (collectively, “**Title/Survey**”) to review Title/Survey and to give Seller written notice of (i) any defects in the marketability of Seller title to the Property or any encumbrances on Seller’s title to the Property that are objectionable to Buyer, and (ii) the specific actions Buyer requests that Seller take with respect to each such defect or encumbrance (a “**Title Objection Notice**”). Any defects in or encumbrances on Seller’s title that Buyer does not identify in a timely Title Objection Notice are each a “**Permitted Exception.**” Within three (3) business days after Seller’s receipt of a Title Objection Notice from Buyer, Seller will notify Buyer, in writing, of the actions, if any, that Seller is willing to take with respect to each of the matters identified in the Title Objection Notice and the time frame in which Seller will take those actions (“**Seller’s Title Notice**”). If Seller’s Title Notice indicates that Seller unconditionally agrees to make Seller’s title to the Property marketable on or before the closing date established pursuant to Section 10, the parties shall proceed to closing pursuant to the terms of this Agreement. If Seller’s Title Notice indicates that Seller does not unconditionally agree to make Seller’s Title to the Property marketable on or before the closing date established in Section 10, Buyer may, at any time with three (3) business days after Buyer’s receipt of Seller’s Title Notice, terminate this Agreement by written notice to Buyer in which case this Agreement is terminated and Escrow Agent must disburse any Earnest Money to Buyer (“**Buyer’s Title Termination Notice**”). If Buyer does not deliver a Buyer’s Title Termination Notice to Seller within the three (3) business days after Buyer’s receipt of Seller’s Title Notice, than Seller must perform in accordance with Seller’s Title Notice, Buyer shall be deemed to have

waived Buyer's objections to the extent Seller has not agreed to address them in Seller's Title Notice, the matters to which Buyer objected and Seller did not agree to resolve are deemed Permitted Exceptions, and the parties shall proceed to Closing in accordance with the terms of this Agreement and the terms of Seller's Title Notice.

- 7. RIGHT OF ENTRY.** At all times after Buyer has deposited the Earnest Money with Seller and before the Closing, Buyer (and its employees, agents, and contractors) may enter the Property for the purpose of conducting soil tests, environmental tests and additional survey work, subject to the following conditions:
- a. Within one week after the termination of this Agreement, if either Seller or Buyer terminate this Agreement in accordance with the provisions hereof prior to Closing, Buyer must repair and or restore any damage Buyer or its employees, agents or contractors cause to the Property and remove any personal property, refuse or debris Buyer or its employees, agents or contractors brought onto or authorized third parties to bring onto the Property.
 - b. Buyer must defend and indemnify Seller from and against and hold Seller harmless Seller from all "Claims," as defined in Section 10, arising out of, resulting from or relating to any loss of or damage to any property or business or out of any injury to or death of any person, if the loss, damage, injury, or death arises or is alleged to arise either directly or indirectly and either wholly or in part from: (a) any action or omission of Buyer or its employees, agents, or contractors, while on the Property pursuant to this Section; or (b) actions or omissions of Buyer or Buyer's employees, agents, or contractors that cause or result in the release of any Hazardous Substance onto the Property or onto other property.
 - c. Buyer must comply with and shall cause it employees, agents, and contractors to comply with all applicable laws, while on the Property.
 - d. Other than a standard Phase 1 environmental assessment, Buyer may not commence any environmental testing on the Property until Buyer submits a work plan for such testing to Seller and Seller approves the work plan, in writing. Seller may not unreasonably withhold, condition or delay Seller's approval of a work plan.
 - e. Buyer must, promptly and without demand from Seller, provide Seller with true and complete copies of all draft and final reports relating to Buyer's geotechnical and environmental investigations and testing of the Property including, without limitation, any reports relating to any Phase I Environmental Site Assessment of the Property.
 - f. The cost of any test or additional survey work will be borne solely by Buyer.

The payment and indemnification provisions of this Section 7 shall survive any termination or cancellation of this Agreement and are referred to herein as the “Surviving Obligations.”

8. PROPERTY SOLD AS IS. Subject to Buyer’s right to terminate this Agreement pursuant to Section 9, Buyer agrees to accept the Property in its current condition, including, without limitation, its current environmental and geological condition, and in an “AS-IS” and with “ALL FAULTS” condition. Buyer’s payment of the Purchase Price at Closing constitutes Buyer’s acknowledgment and agreement that:

- a. Seller has not made any written or oral representations or warranties of any kind with respect to the Property (including without limitation express or implied warranties of title, merchantability, or fitness for a particular purpose);
- b. Buyer has not relied on any written or oral representation or warranty made by Seller, its agents or employees with respect to the condition or value of the Property;
- c. Buyer has had an adequate opportunity to inspect the condition of the Property, including without limitation any environmental testing, and to inspect documents applicable thereto, and Buyer is relying solely on such inspection and testing; and
- d. The condition of the Property is fit for Buyer’s intended use.
- e. Buyer accepts all risk of Claims (including without limitation all Claims under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation) whether past, present or future, existing or contingent, known or unknown, arising out of, resulting from or relating to the condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.

9. INSPECTION PERIOD.

- a. Except as otherwise provided in Section 6, Buyer shall have from the date that Buyer deposits the Earnest Money with Escrow Agent to [REDACTED], 2024 (the “**Inspection Period**”) to investigate the Property and determine, in Buyer’s sole judgment, whether (i) the condition of the Property is suitable to Buyer’s intended use; and (ii) Buyer will be able to obtain all governmental approvals (including, but not limited to, approvals necessary to subdivide and re-plot the Property) and utilities necessary for Buyer’s intended use of the Property. Buyer acknowledges and agrees that Seller has not made any covenants, representations or warranties regarding Buyer’s ability to obtain governmental approvals from the

City of Ramsey or any other governmental entity. The City of Ramsey will review, consider and act on any applications Buyer submits to the City for governmental approvals in accordance with City Code.

- b. Buyer may, at any time on or before 5:00 p.m. on the last day of the Inspection Period, terminate the Agreement by written notice to Seller based on Buyer's determination, in Buyer's sole and absolute discretion, that the condition of the Property is not suitable for Buyer's intended use or that Buyer may not be able to obtain all governmental approvals and utilities necessary for Buyer's intended use of the Property. In addition, this Agreement automatically terminates at 5:00 p.m. on the last day of the Inspection Period unless, prior to that time Buyer delivers a written notice of Buyer's intention to proceed (a "**Notice to Proceed**") to Seller.
- c. If, pursuant to Section 9(b) either Buyer terminates this Agreement or this Agreement is automatically terminated, the Escrow Agent must disburse to Buyer any Earnest Money Escrow Agent holds.

10. DEFINITIONS. As used in this Agreement:

"Claim" or **"Claims"** means any and all liabilities, suits, claims, counterclaims, causes of action, demands, penalties, debts, obligations, promises, acts, fines, judgments, damages, consequential damages, losses, costs, and expenses of every kind (including without limitation any attorney's fees, consultant's fees, costs, remedial action costs, cleanup costs and expenses which may be related to any claims).

"Environmental Law" means the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Federal Water Pollution Control Act (the Clean Water Act), 33 U.S.C. § 1251 et seq. the Clean Air Act, 42 U.S.C. § 7401 et seq., and the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., all as amended from time to time, and any other federal, state, local or other governmental statute, regulation, rule, law or ordinance dealing with the protection of human health, safety, natural resources or the environment now existing or hereafter enacted.

"Hazardous Substance" or **"Hazardous Substances"** means any pollutant, contaminant, hazardous substance or waste, solid waste, petroleum product, distillate, or fraction, radioactive material, chemical known to cause cancer or reproductive toxicity, polychlorinated biphenyl or any other chemical, substance or material listed or identified in or regulated by any Environmental Law.

- 11. RELEASE.** By accepting the deed to the Property, Buyer, for itself, its directors, officers, stockholders, divisions, agents, affiliates, subsidiaries, predecessors, successors, and assigns and anyone acting on its behalf or their behalf hereby fully releases and forever discharges Seller from any and all Claims (including without limitation all Claims arising under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation), past, present and future, known

and unknown, existing and contingent, arising out of, resulting from, or relating to the condition of the Property, and Buyer hereby waives any and all causes of action (including without limitation any right of contribution) Buyer had, has or may have against Seller and anyone acting on its behalf with respect to the condition of the Property, whether arising at common law, in equity or under a federal, state or local statute, rule or regulation. The foregoing shall apply to any condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.

12. NOTICES. Notices permitted or required by this Agreement must be in writing and shall be deemed given when delivered in legible form to the party to whom addressed. Notices may be sent by certified mail or e-mail. Notices are effective two business days after they are mailed via certified mail, return receipt requested or, if sent by email, upon email transmission (provided that any email transmission that occurs after 5:00 pm Central Time will be deemed provided on the following day). If delivered at the Closing, a notice shall be deemed given when hand-delivered to the party's representative at the Closing. The business addresses of the parties are as follows:

Seller: City Administrator
City of Ramsey
7550 Sunwood Drive N.W.
Ramsey, MN 55303
Email: kulrich@cityoframsey.com

Buyer: Garage RE LLC & or Assigns.
Tim Eaton
15706 Highland Heights Drive
Minnetonka, MN 55345
Email: tim.eaton@garageholdingsllc.com

Notices not given in the manner or within the time limits set forth in this Agreement are of no effect and may be disregarded by the party to whom they are directed.

13. CLOSING. This transaction shall close within 30 days after Buyer delivers a Notice to Proceed to Seller or on such earlier date as Seller and Buyer may establish by mutual, written agreement; provided, however, Buyer may extend the Closing a total of two (2) times, each time for a period of Thirty (30) days, by depositing an additional Five Thousand and 00/100 Dollars (\$5,000.00) earnest money with Escrow Agent for each extension. Each \$5,000 extension payment shall be non-refundable, but applicable to the Purchase Price. The Closing shall take place at the offices of the Escrow Agent, or at some other place as the parties may mutually agree prior to such date. At the option of either Party, the executed closing documents, Purchase Price and closing costs may be deposited with the Escrow Agent and disbursed by the Escrow Agent pursuant to avoid

the necessity for a Closing at which the Parties are present.

- a. **Seller's Obligations at Closing.** At Closing, Seller must deliver to Escrow Agent, for delivery to Buyer:
 - i. A limited warranty deed, duly executed and acknowledged on behalf of the City and with the City's seal affixed, conveying title to the Property, subject to (A) the lien of real estate taxes, if any, not yet due and payable and any installments of special assessments certified for payment therewith; (B) Building, Subdivision and Zoning Ordinances; (C) Matters that would be disclosed by an accurate survey of the Property; and (D) matters that constitute Permitted Exceptions pursuant to Section 6;
 - ii. A certified copy of a duly adopted City Ordinance and Resolution authorizing Seller's sale of the Property to Buyer;
 - iii. The Right of Re-Entry Agreement provided for in Section 28 below; and
 - iv. Seller's affidavits, well disclosure certificate (if required), settlement statement approved by Seller and Buyer, and any other documents required by the Escrow Agent.
- b. **Buyer's Obligations at Closing.** At Closing, Buyer must:
 - i. Wire Transfer (or deliver a certified check in) an amount equal to the amount of the Purchase Price adjusted for to reflect Buyer's prior payment of the Earnest Money and to reflect amounts Buyer must pay or will receive pursuant to Section 14(c), to Escrow Agent for disbursement to Seller and others pursuant to this Agreement and the Settlement Statement;
 - ii. Execute and deliver the Right of Re-Entry Agreement provided for in Section 28 below; and
 - iii. File or cause Escrow Agent to file an Electronic Certificate of Real Estate Value, if required and necessary.
- c. **Closing Costs.**
 - i. At Closing, the following Seller closing costs and expenses must be paid from the Purchaser Price or, if the Purchase Price is not sufficient, paid by Seller:
 1. Seller shall pay all outstanding property taxes, including but not limited to, Payable 2024 for the Property.

2. Seller shall pay all special assessments levied or pending against the Property as of the Closing Date.
 3. Seller's own attorney's fees.
 4. One-half the cost of any closing fees.
 5. The cost of real estate broker commission fees as prescribed in Section 14.
 6. State Deed Tax
- ii. At Closing Buyer must pay the Purchase Price to Seller and the following costs and expenses:
1. Buyer's portion of prorated property taxes.
 2. Buyer's own attorney's fees.
 3. One-half the cost of any closing fees.
 4. Documentary and recording fees for the deed(s).
 5. The cost of the owner's title insurance policy, if Buyer elects to purchase an Owner's title insurance policy.
- d. **Possession**. Seller must deliver possession of the Property to Buyer at Closing.

14. REAL ESTATE BROKERS. Seller and Buyer represent and warrant to each other that they have dealt with brokers, real estate agents, finders or the like in connection with this transaction, other than CBRE, Inc. ("Sellers Broker") and Jones Lang Lasalle Brokerage, Inc ("Buyer Broker"). Seller shall pay Seller's Broker as required by their agreement 3.5% of final gross sale price and Buyers Broker 3.5% of final gross sales price. Seller and Buyer agree to indemnify each other and to hold each other harmless against all claims, damages, costs or expenses of or for any broker's fees or commissions resulting for their actions or agreements regarding the execution or performance of this Agreement, other than the fees payable to Seller's Broker, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other party, including reasonable attorney's fees.

15. ASSIGNMENT. This Agreement may not be assigned without the written consent of the non-assigning Party. The Seller recognizes the Buyer intends to assign this Agreement to an affiliated special purpose entity that will be registered officially with the State of Minnesota.

16. THIRD PARTY BENEFICIARY. There are no third-party beneficiaries of this Agreement, intended or otherwise.

17. JOINT VENTURE. Seller and Buyer, by entering into this Agreement and completing the transactions described herein, shall not be considered joint ventures or partners.

18. CAPTIONS. The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement, and are not to be considered in interpreting this Agreement.

19. ENTIRE AGREEMENT / MODIFICATION. This written Agreement constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the Property. There are no verbal agreements that change this Agreement and no waiver or modification of any of its terms will be effective unless in writing executed by the parties.

20. BINDING EFFECT. This Agreement binds and benefits the Parties and their successors and assigns.

21. CONTROLLING LAW. This Agreement is made under the laws of the State of Minnesota and such laws will control its interpretation.

22. REMEDIES.

- a. If Buyer fails to perform any of the terms or conditions of this Agreement within the specified time limits, Seller may declare this Agreement terminated pursuant to Minnesota Statutes section 559.21. Seller's sole remedy in the event of Buyer's default is retention of the Earnest Money, unless Buyer defaults under Section 7 or 11 of this Agreement, in which case Seller may retain the Earnest money or suspend the performance of its obligations under this Agreement and commence an action in Anoka County District Court to recover its actual damages arising from the default.
- b. If Seller fails to perform any of the terms or conditions of this Agreement within the specified time limits, Buyer may, as its sole remedy, declare this Agreement terminated in which case Escrow Agent and, if applicable, Seller, shall refund the Earnest Money (both the Initial Disbursement and the Remaining Earnest Money) to Buyer, or, in the alternative, Buyer may have this Agreement specifically enforced and recover any incidental damages. Buyer waives all claims for consequential damages against Seller based on Seller's breach or alleged default hereunder.

23. WAIVER. Failure of Seller or Buyer to insist upon the performance of any of the covenants, agreements and/or conditions of this Agreement or to exercise any right or privilege herein shall not be deemed a waiver of any such covenant, condition or right.

24. SURVIVAL OF TERMS AND CONDITIONS. The terms and conditions of this Agreement shall survive and be in full force and effect after the delivery of the deed, and shall not be deemed to have merged therein.

25. SEVERABILITY. Each provision of this Agreement shall apply to the extent permitted by applicable law and is intended to be severable. If any provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of the Agreement.

26. CONSTRUCTION. The Parties acknowledge that this Agreement was initially prepared by Seller solely as a convenience and that all Parties and their counsel hereto have read and full negotiated all the language used in this Agreement. The Parties acknowledge that because all Parties and their counsel participated in negotiating and drafting this Agreement, no rule of construction shall apply to this Agreement to construe ambiguous or unclear language in favor of or against any Party.

27. COUNTERPARTS; DIGITAL COPIES. This Agreement may be executed in any number of counterparts and the signature pages of the separate counterparts combined into a single copy of this Agreement which will then constitute a fully executed version of this Agreement. A facsimile, .pdf file or digital copy of a signed counterpart or of an assemblage of counterparts of this Agreement shall be deemed to be an original thereof.

28. CONSTRUCTION DEADLINE. Within one year from the Closing Date, Buyer shall construct and obtain a certificate of occupancy from the City of Ramsey for a minimum 1,800 SF oil change building and construction of 20 space parking lot on Northstar Marketplace site and connection to oil change development (Concept Plan on attached Exhibit B) and compliant with COR Zoning requirements to be further defined by an approved Site Plan. At Closing, a “Right of Re-Entry Agreement” shall be executed and recorded against the Property providing that, in the event the above deadline is not met, Seller has the right to reclaim title to the parcel(s) for which a certificate of occupancy was not obtained.

29. TIME PERIODS. The time for performance of any obligation or taking any action under this Agreement shall be deemed to expire at 5:00 p.m. Central Time on the last day of the applicable time period provided for in this Agreement. If the time for the performance of any obligation or taking any action under this Agreement expires on a Saturday, Sunday or legal holiday, the time for performance or taking such action shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.

30. PLATTING & DEVELOPMENT AGREEMENT. Buyer must be in the process of obtaining an approved final plat (if needed), development agreement, and building exterior visual renderings with the City of Ramsey for its intended project before Closing. The Development Agreement and Site Plan must comply with all local zoning ordinances and design standards, including The COR Design Standards.

SELLER: The City of Ramsey, a Minnesota municipal corporation

By: _____
Mark Kuzma, Mayor

Dated: _____, 2024

By: _____
Brian Hagen, City Administrator

Dated: _____, 2024

BUYER: Garage Holdings LLC

By: _____
Kevin Bergman, Manager

Dated: _____, 2024

Exhibit A

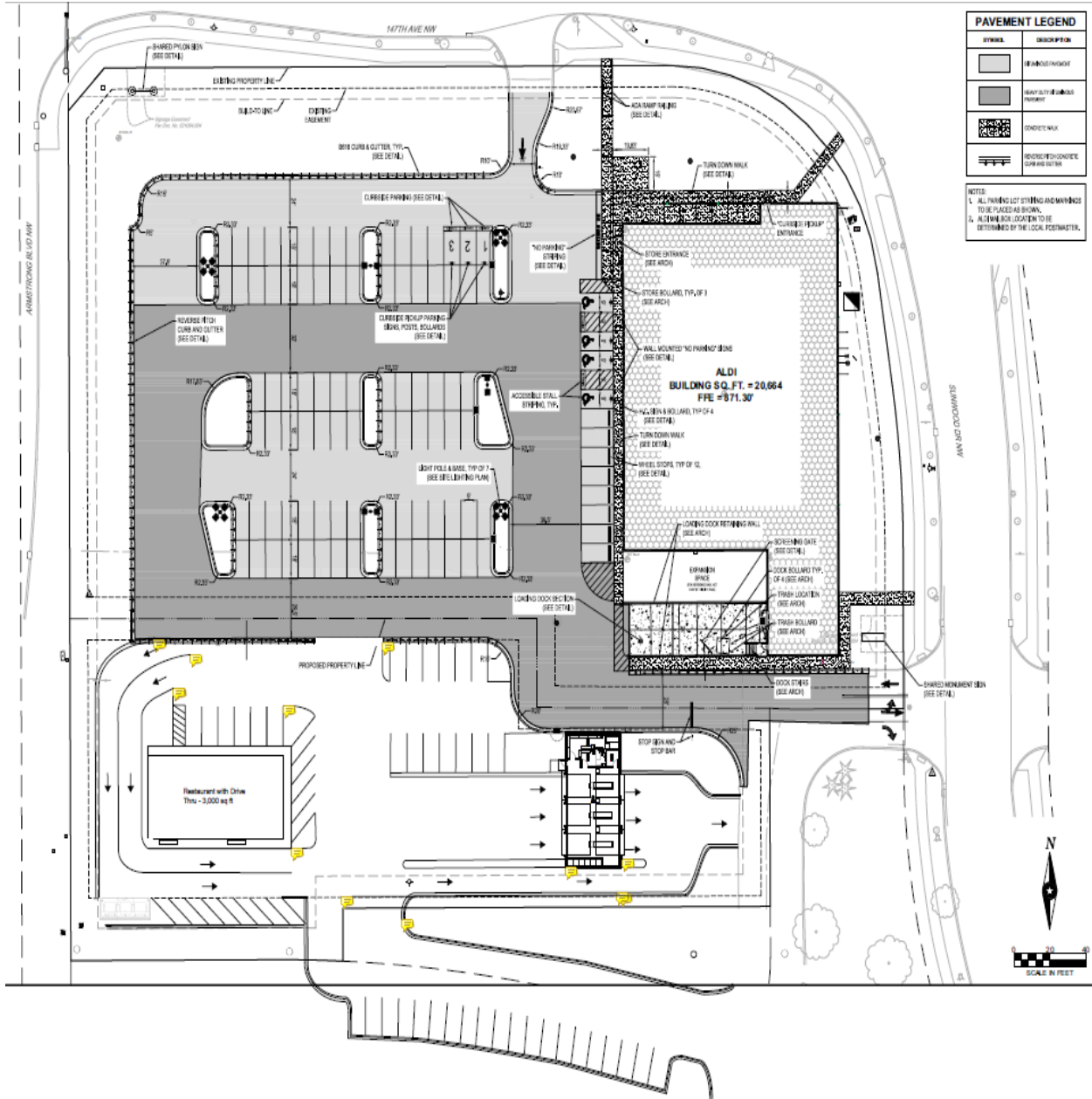
Legal Description

Lot 2, Block 1, COR FOUR, Anoka County Minnesota

PID Number: 28-32-25-23-0023 (“Property”)

Exhibit B

Concept Plan



[Reserved for Recording Data]

RIGHT OF RE-ENTRY AGREEMENT

This Right of Re-entry Agreement is entered into on _____, 2024, by and between the **City of Ramsey**, a Minnesota municipal corporation (“Seller”), and **Garage RE LLC or Assigns**, a Minnesota Limited Liability Company (“Buyer”).

Recitals

A. On _____, 2024, Seller conveyed title of the following Property to Buyer:

Lot 2, Block 1, COR FOUR, Anoka County, Minnesota (the “Property”)

B. Title to the Property was conveyed subject to Buyer fulfilling certain Conditions as set forth below.

C. As indicated in the Purchase Agreement between the City of Ramsey and **Garage RE LLC or Assigns**, with an Effective Date of _____, 2024, Section 28, it is the intent of the parties to create and set forth a right to impose a penalty or a right of re-entry in favor of Seller in the event Buyer fails to satisfy the Conditions.

Agreement

1. The recitals are incorporated herein as if fully set forth.
2. Seller shall have the right, but not the obligation, to either impose a penalty against the Property pursuant to Paragraph 3, or to re-enter and take possession of the Property pursuant to Paragraph 4, in the event that any of the following Conditions are not satisfied by Buyer:

- a. Buyer must obtain a certificate of occupancy from the City of Ramsey, for the project described below by **(INSERT DATE 12 Months After CLOSING)**.

Project Description:

- i. **Garage RE LLC or Assigns** Site Plan, approved by the City of Ramsey on _____ by Resolution #_____.
 - ii. Development Agreement for **Garage RE LLC or Assigns**, approved by the City of Ramsey on _____ by Resolution #_____.
3. Seller may impose a penalty of \$50,000.00 against the Property if the certificate of occupancy is not obtained, for the construction of a minimum 1,800 square foot oil change building and 20 space parking lot on adjacent lot south of the Property, pursuant to the deadline set forth above. The penalty is due upon written notice to Buyer from Seller of the failure to satisfy a contingency. In the event the penalty is not paid within 30 days of receipt of the notice, Seller may, but is not required to, certify the penalty to Anoka County as an assessment against the Property. Buyer waives any and all rights under Minnesota Statutes, chapter 429, and any other applicable law, including any right to notice of hearing and hearing, the right to object, and the right to appeal the assessment. Buyer further waives any requirements of the City Charter that may apply to said assessment.
4. As an alternative to imposition of a financial penalty and not in addition thereto, Seller may re-enter and take physical possession of the Property. Title to the Property shall be restored in Seller, and Buyer shall execute whatever documents and undertake whatever steps are necessary to establish and confirm Seller's fee simple interest in the Property free of any claims or encumbrances, including mechanic's liens.
5. This document constitutes the entire Right of Re-entry Agreement between the parties. Any modifications or amendments to this Agreement must be in writing and signed by both parties.

CITY OF RAMSEY

By: _____
Mark E. Kuzma, Mayor

By: _____
Brian Hagen, City Administrator

This instrument was acknowledged before me on _____, 2024,
by Mark E. Kuzma and Brian Hagen as Mayor and City Administrator, respectively, of
the City of Ramsey, Minnesota on behalf of the Minnesota municipal corporation.

Notary Public

Garage RE LLC or Assigns

By: _____
Kevin Bergman

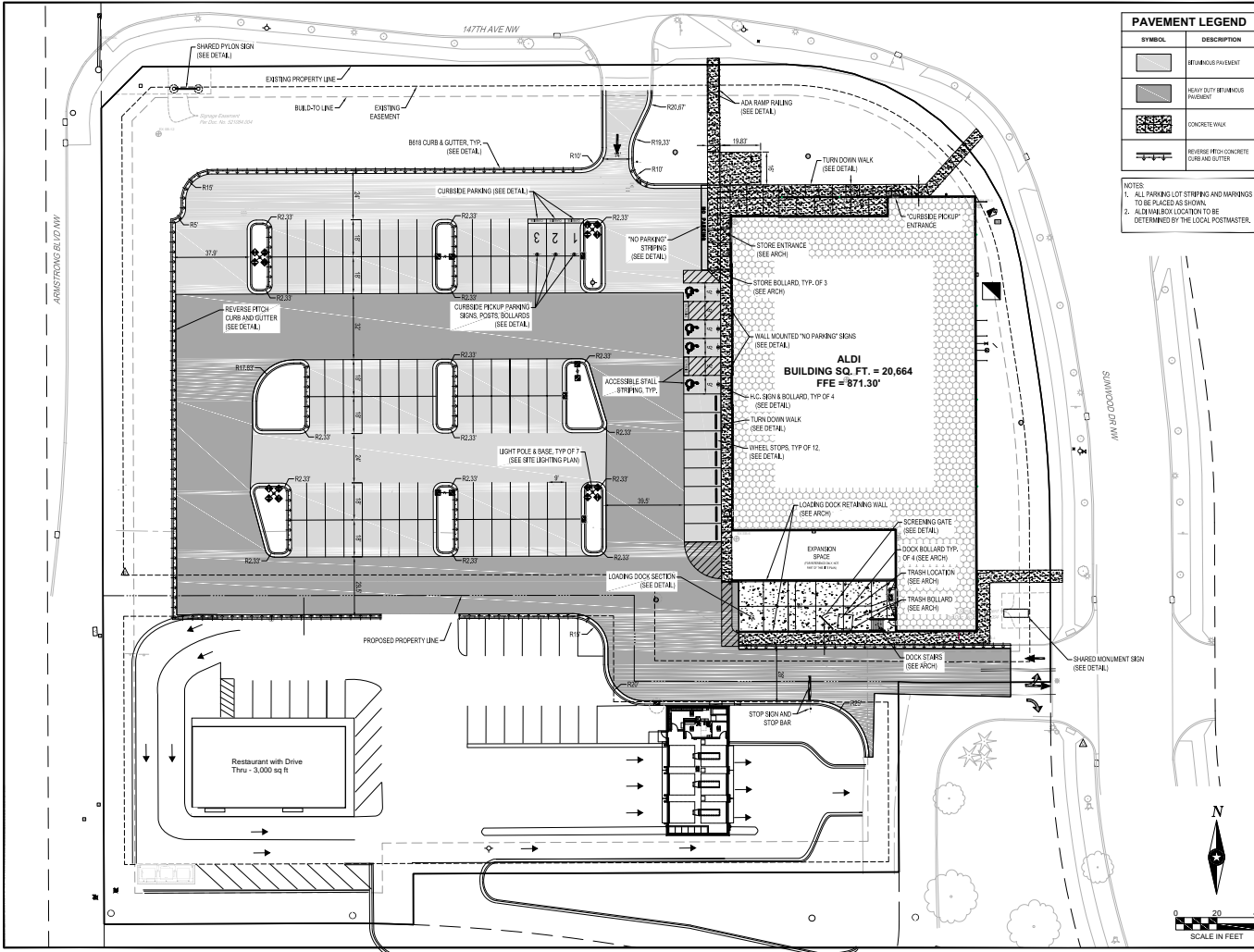
This instrument was acknowledged before me on _____, 2024, by **Kevin Bergman, Manager** of **Garage RE LLC or Assigns** on behalf of the Minnesota Limited Liability Company.

Notary Public

This instrument drafted by:
City of Ramsey
7550 Sunwood Drive NW
Ramsey, MN 55303
(763) 433-9868

TERM SHEET FOR Garage RE LLC (Take 5) – 1.29.24

Real Estate	Tax ID Number: 28-32-25-23-0023. Lot 2, Block 1, COR FOUR, (Parcel 42a)
Acreage	Approximately 1.16 acres or 50,529 SF
Asking Price	\$404,236 (\$8.00 / SF)
Offer Price	\$404,236 (\$8.00 / SF) – Net \$279,236 (\$5.52/SF) (Subject to change based on actual cost of construction of 20 space parking lot on Northstar Marketplace site and connection to Take 5 development)
Earnest Money	\$15,000 Non-refundable upon Notice to Proceed being executed.
Inspection Period	180 days from Effective Date (Date City Council approves) (city requires plat (if needed)/ site plan approval before sale)
Closing	Within 30 days of Notice to Proceed.
Commission	3.5% commission for Jones Lang LaSalle Brokerage and 3.5% to CBRE.
Extensions to Close	Developer will deposit \$5,000 in escrow for each 30-day extension (2 extensions allowed) Once extensions are made the money becomes non-refundable.
City take care of	Provide existing plat information and updated Title Commitment.
Performance	City to require construction of a minimum 1,800 SF commercial/retail building (Take 5 Oil Change) compliant with COR Zoning requirements and obtain a Certificate of Occupancy 12 months after Closing. If this is not done, the City may exercise the Right of Re-Entry. In addition, the Developer will be responsible for construction of 20 space parking lot on Northstar Marketplace site and connection to Take 5 development and future plat (if needed) for Remnant building site.
Assignment	Requires city approval if not same owners / company.
Contingencies	None at this time
Review	EDA (Sean): Land Transaction/ Purchase Agreement/ Right of Re-Entry Planning Commission (Todd/Staff): Land Use, Development Agreement, Site Plan, Plat City Council: Final Approval on both items



PAVEMENT LEGEND	
SYMBOL	DESCRIPTION
[Symbol]	#10/100/4 PAVEMENT
[Symbol]	#10/10/10 PAVEMENT
[Symbol]	CONCRETE WALK
[Symbol]	REVERSE PITCH CONCRETE CURB AND GUTTER

NOTES:
 1. ALL PARKING LOT STRIPING AND MARKINGS TO BE PLACED AS SHOWN.
 2. ALI HAZARD BOX LOCATION TO BE DETERMINED BY THE LOCAL POSTMASTER.

Issued:	Date:
A	CITY SUBMITTAL #1
B	
C	
D	
E	
Revisions:	
1	Date:
2	
3	
4	
5	
6	
7	
8	
9	

I HEREBY CERTIFY THAT THIS PLAN SPECIFICATION REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A LICENSED PROFESSIONAL ENGINEER UNDER THE LAWS OF THE STATE OF MINNESOTA.
RYAN J. ANDERSON
 Ryan Anderson
 PE # 004120023 LIC. NO. 95838

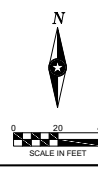
NOTE:
 THE CLARITY OF THESE PLANS DEPEND UPON COLOR COPIES. IF THIS TEXT DOES NOT APPEAR IN COLOR, THIS IS NOT AN ORIGINAL PLAN SET AND MAY RESULT IN MISINTERPRETATION.



MANAGING LOCATION:
 BLOOMINGTON OFFICE
 7909 INTERNATIONAL DRIVE
 SUITE 500
 MINNEAPOLIS, MN 55425
 PHONE: 952.428.9899

ALDI Inc.
 Division Address
 7992 SUNWOOD DR NW
 RAMSEY, MN 55303
 ANOKA

Project Name & Location:
SITE PLAN
 Drawing Name:
 Type: V7.D ER ISG Project No.
 Drawn By: AJR 23-21339
 Designed By: AJR C-310
 Reviewed By: RJA Drawing No.



PRELIMINARY NOT FOR CONSTRUCTION PRELIMINARY NOT FOR CONSTRUCTION

PURCHASE AGREEMENT

This Agreement is entered into by and between the **City of Ramsey**, a Minnesota municipal corporation (“Seller”), and **Midland Atlantic Development Company, LLC**, an Indiana Limited Liability Company (“Buyer”).

In consideration of the Earnest Money, the mutual covenants set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

1. **EFFECTIVE DATE.** The effective date of this Agreement is _____, 2024 (the “Effective Date”).
2. **SALE OF PROPERTY.** Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller approximately 1.16 acres 50,529 square feet) of vacant land, legally described as follows:

Lot 2, Block 1, COR FOUR

PID Number: 28-32-25-23-0023 (“Property”)
3. **PURCHASE PRICE.** The purchase price for the Property is \$294,236.80 (the “Purchase Price”). The price has been discounted from the asking price of \$404,236 to make funds available to construct a 20-space parking lot on the lot directly south of the Property.
4. **EARNEST MONEY AND ADDITIONAL EARNEST MONEY.** Within five business days after the Effective Date, Buyer must deposit the sum of \$15,000.00 (the “Earnest Money”) with First Financial Title (“Escrow Agent”), via wire transfer or delivery of a certified check payable to Escrow Agent.
 - a. If Buyer does not deposit the Earnest Money as required above, then Seller may terminate this Agreement by written notice to Buyer; provided, however, if Buyer deposits the Earnest Money with Escrow Agent before Seller exercises Seller’s right to terminate, Seller’s right to terminate is extinguished.
 - b. Upon Seller’s receipt of a Notice to Proceed from Buyer in accordance with Section 9(b), all of the Earnest Money becomes non-refundable (except in accordance with Section 22 as a result of a default by Seller).
 - c. If Buyer does not provide a Notice to Proceed to Seller in accordance with Section 9(b), this Agreement automatically terminates, and Escrow Agent must disburse all Earnest Money Escrow Agent holds to Buyer.

- d. At Closing, Escrow Agent shall disburse to Seller any Earnest Money not previously disbursed to Seller, and Buyer shall receive a credit against the Purchase Price owing at Closing in an amount equal to the amount of the Earnest Money.
5. **SURVEY.** Seller will provide the Buyer an ALTA/NSPS 2016 survey (Table A, items 1, 2, 3, 4, 5, 7A, 8, 11 and 14) for Lots 1, 2 and 3, Block 1, COR TWO (the “Survey”) from a duly licensed surveyor dated August 8, 2019 and a copy of the COR Four Plat. Buyer may arrange with the surveyor to include additional information on the Survey at Buyer’s expense.

6. **TITLE COMMITMENT.**

- a. Seller makes no representations or warranties with respect to the status of title to the Property. Within thirty (30) business days after the Effective Date, Seller shall, at Seller’s expense, obtain a commitment from Escrow Agent to issue an owner’s policy of title insurance insuring Buyer’s title to the Property (the “Title Commitment”) and deliver the Title Commitment and copies of or internet access to copies of all recorded documents referenced in the Title Commitment to Buyer.
- b. Buyer shall have until the date thirty (30) days after the receipt of the Title Commitment and the Survey (collectively, “**Title/Survey**”) to review Title/Survey and to give Seller written notice of (i) any defects in the marketability of Seller title to the Property or any encumbrances on Seller’s title to the Property that are objectionable to Buyer, and (ii) the specific actions Buyer requests that Seller take with respect to each such defect or encumbrance (a “**Title Objection Notice**”). Any defects in or encumbrances on Seller’s title that Buyer does not identify in a timely Title Objection Notice are each a “**Permitted Exception.**” Within three (3) business days after Seller’s receipt of a Title Objection Notice from Buyer, Seller will notify Buyer, in writing, of the actions, if any, that Seller is willing to take with respect to each of the matters identified in the Title Objection Notice and the time frame in which Seller will take those actions (“**Seller’s Title Notice**”). If Seller’s Title Notice indicates that Seller unconditionally agrees to make Seller’s title to the Property marketable on or before the closing date established pursuant to Section 10, the parties shall proceed to closing pursuant to the terms of this Agreement. If Seller’s Title Notice indicates that Seller does not unconditionally agree to make Seller’s Title to the Property marketable on or before the closing date established in Section 10, Buyer may, at any time with three (3) business days after Buyer’s receipt of Seller’s Title Notice, terminate this Agreement by written notice to Buyer in which case this Agreement is terminated and Escrow Agent must disburse any Earnest Money to Buyer (“**Buyer’s Title Termination Notice**”). If Buyer does not deliver a Buyer’s Title Termination Notice to Seller within the three (3) business days after Buyer’s receipt of Seller’s Title Notice, than Seller must perform in accordance with Seller’s Title Notice, Buyer shall be deemed to have

waived Buyer's objections to the extent Seller has not agreed to address them in Seller's Title Notice, the matters to which Buyer objected and Seller did not agree to resolve are deemed Permitted Exceptions, and the parties shall proceed to Closing in accordance with the terms of this Agreement and the terms of Seller's Title Notice.

- 7. RIGHT OF ENTRY.** At all times after Buyer has deposited the Earnest Money with Seller and before the Closing, Buyer (and its employees, agents, and contractors) may enter the Property for the purpose of conducting soil tests, environmental tests and additional survey work, subject to the following conditions:
- a. Within one week after the termination of this Agreement, if either Seller or Buyer terminate this Agreement in accordance with the provisions hereof prior to Closing, Buyer must repair and or restore any damage Buyer or its employees, agents or contractors cause to the Property and remove any personal property, refuse or debris Buyer or its employees, agents or contractors brought onto or authorized third parties to bring onto the Property.
 - b. Buyer must defend and indemnify Seller from and against and hold Seller harmless Seller from all "Claims," as defined in Section 10, arising out of, resulting from or relating to any loss of or damage to any property or business or out of any injury to or death of any person, if the loss, damage, injury, or death arises or is alleged to arise either directly or indirectly and either wholly or in part from: (a) any action or omission of Buyer or its employees, agents, or contractors, while on the Property pursuant to this Section; or (b) actions or omissions of Buyer or Buyer's employees, agents, or contractors that cause or result in the release of any Hazardous Substance onto the Property or onto other property.
 - c. Buyer must comply with and shall cause it employees, agents, and contractors to comply with all applicable laws, while on the Property.
 - d. Other than a standard Phase 1 environmental assessment, Buyer may not commence any environmental testing on the Property until Buyer submits a work plan for such testing to Seller and Seller approves the work plan, in writing. Seller may not unreasonably withhold, condition or delay Seller's approval of a work plan.
 - e. Buyer must, promptly and without demand from Seller, provide Seller with true and complete copies of all draft and final reports relating to Buyer's geotechnical and environmental investigations and testing of the Property including, without limitation, any reports relating to any Phase I Environmental Site Assessment of the Property.
 - f. The cost of any test or additional survey work will be borne solely by Buyer.

The payment and indemnification provisions of this Section 7 shall survive any termination or cancellation of this Agreement and are referred to herein as the “Surviving Obligations.”

8. PROPERTY SOLD AS IS. Subject to Buyer’s right to terminate this Agreement pursuant to Section 9, Buyer agrees to accept the Property in its current condition, including, without limitation, its current environmental and geological condition, and in an “AS-IS” and with “ALL FAULTS” condition. Buyer’s payment of the Purchase Price at Closing constitutes Buyer’s acknowledgment and agreement that:

- a. Seller has not made any written or oral representations or warranties of any kind with respect to the Property (including without limitation express or implied warranties of title, merchantability, or fitness for a particular purpose);
- b. Buyer has not relied on any written or oral representation or warranty made by Seller, its agents or employees with respect to the condition or value of the Property;
- c. Buyer has had an adequate opportunity to inspect the condition of the Property, including without limitation any environmental testing, and to inspect documents applicable thereto, and Buyer is relying solely on such inspection and testing; and
- d. The condition of the Property is fit for Buyer’s intended use.
- e. Buyer accepts all risk of Claims (including without limitation all Claims under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation) whether past, present or future, existing or contingent, known or unknown, arising out of, resulting from or relating to the condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.

9. INSPECTION PERIOD.

- a. Except as otherwise provided in Section 6, Buyer shall have from the date that Buyer deposits the Earnest Money with Escrow Agent to **(Insert Date 180 days from Effective date), 2024** (the “**Inspection Period**”) to investigate the Property and determine, in Buyer’s sole judgment, whether (i) the condition of the Property is suitable to Buyer’s intended use; and (ii) Buyer will be able to obtain all governmental approvals (including, but not limited to, approvals necessary to subdivide and re-plat the Property) and utilities necessary for Buyer’s intended use of the Property. Buyer acknowledges and agrees that Seller has not made any covenants, representations or warranties regarding Buyer’s ability to obtain

governmental approvals from the City of Ramsey or any other governmental entity. The City of Ramsey will review, consider and act on any applications Buyer submits to the City for governmental approvals in accordance with City Code.

- b. Buyer may, at any time on or before 5:00 p.m. on the last day of the Inspection Period, terminate the Agreement by written notice to Seller based on Buyer's determination, in Buyer's sole and absolute discretion, that the condition of the Property is not suitable for Buyer's intended use or that Buyer may not be able to obtain all governmental approvals and utilities necessary for Buyer's intended use of the Property. In addition, this Agreement automatically terminates at 5:00 p.m. on the last day of the Inspection Period unless, prior to that time Buyer delivers a written notice of Buyer's intention to proceed (a "**Notice to Proceed**") to Seller.
- c. If, pursuant to Section 9(b) either Buyer terminates this Agreement or this Agreement is automatically terminated, the Escrow Agent must disburse to Buyer any Earnest Money Escrow Agent holds.

10. DEFINITIONS. As used in this Agreement:

"Claim" or **"Claims"** means any and all liabilities, suits, claims, counterclaims, causes of action, demands, penalties, debts, obligations, promises, acts, fines, judgments, damages, consequential damages, losses, costs, and expenses of every kind (including without limitation any attorney's fees, consultant's fees, costs, remedial action costs, cleanup costs and expenses which may be related to any claims).

"Environmental Law" means the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Federal Water Pollution Control Act (the Clean Water Act), 33 U.S.C. § 1251 et seq. the Clean Air Act, 42 U.S.C. § 7401 et seq., and the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., all as amended from time to time, and any other federal, state, local or other governmental statute, regulation, rule, law or ordinance dealing with the protection of human health, safety, natural resources or the environment now existing or hereafter enacted.

"Hazardous Substance" or **"Hazardous Substances"** means any pollutant, contaminant, hazardous substance or waste, solid waste, petroleum product, distillate, or fraction, radioactive material, chemical known to cause cancer or reproductive toxicity, polychlorinated biphenyl or any other chemical, substance or material listed or identified in or regulated by any Environmental Law.

- 11. RELEASE.** By accepting the deed to the Property, Buyer, for itself, its directors, officers, stockholders, divisions, agents, affiliates, subsidiaries, predecessors, successors, and assigns and anyone acting on its behalf or their behalf hereby fully releases and forever discharges Seller from any and all Claims (including without limitation all Claims arising under any Environmental Law and all Claims arising at common law, in equity or

under a federal, state or local statute, rule or regulation), past, present and future, known and unknown, existing and contingent, arising out of, resulting from, or relating to the condition of the Property, and Buyer hereby waives any and all causes of action (including without limitation any right of contribution) Buyer had, has or may have against Seller and anyone acting on its behalf with respect to the condition of the Property, whether arising at common law, in equity or under a federal, state or local statute, rule or regulation. The foregoing shall apply to any condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.

12. NOTICES. Notices permitted or required by this Agreement must be in writing and shall be deemed given when delivered in legible form to the party to whom addressed. Notices may be sent by certified mail or e-mail. Notices are effective two business days after they are mailed via certified mail, return receipt requested or, if sent by email, upon email transmission (provided that any email transmission that occurs after 5:00 pm Central Time will be deemed provided on the following day). If delivered at the Closing, a notice shall be deemed given when hand-delivered to the party's representative at the Closing. The business addresses of the parties are as follows:

Seller: City Administrator
City of Ramsey
7550 Sunwood Drive N.W.
Ramsey, MN 55303
Email: bhagen@cityoframsey.com

Buyer: Midland Atlantic Development Company, LLC.
T Aaron Boyle
38012 East 82nd St, Suite B
Indianapolis, IN 46240
Email: aboyle@midlandatlantic.us

Notices not given in the manner or within the time limits set forth in this Agreement are of no effect and may be disregarded by the party to whom they are directed.

13. CLOSING. This transaction shall close within 30 days after Buyer delivers a Notice to Proceed to Seller or on such earlier date as Seller and Buyer may establish by mutual, written agreement; provided, however, Buyer may extend the Closing a total of two (2) times, each time for a period of Thirty (30) days, by depositing an additional Five Thousand and 00/100 Dollars (\$5,000.00) earnest money with Escrow Agent for each extension. Each \$5,000 extension payment shall be non-refundable, but applicable to the Purchase Price. The Closing shall take place at the offices of the Escrow Agent, or at some other place as the parties may mutually agree prior to such date. At the option of either Party, the executed closing documents, Purchase Price and closing costs may be deposited with the Escrow Agent and disbursed by the Escrow Agent pursuant to avoid

the necessity for a Closing at which the Parties are present.

- a. **Seller's Obligations at Closing.** At Closing, Seller must deliver to Escrow Agent, for delivery to Buyer:
 - i. A limited warranty deed, duly executed and acknowledged on behalf of the City and with the City's seal affixed, conveying title to the Property, subject to (A) the lien of real estate taxes, if any, not yet due and payable and any installments of special assessments certified for payment therewith; (B) Building, Subdivision and Zoning Ordinances; (C) Matters that would be disclosed by an accurate survey of the Property; and (D) matters that constitute Permitted Exceptions pursuant to Section 6;
 - ii. A certified copy of a duly adopted City Ordinance and Resolution authorizing Seller's sale of the Property to Buyer;
 - iii. The Right of Re-Entry Agreement provided for in Section 28 below; and
 - iv. Seller's affidavits, well disclosure certificate (if required), settlement statement approved by Seller and Buyer, and any other documents required by the Escrow Agent.
- b. **Buyer's Obligations at Closing.** At Closing, Buyer must:
 - i. Wire Transfer (or deliver a certified check in) an amount equal to the amount of the Purchase Price adjusted for to reflect Buyer's prior payment of the Earnest Money and to reflect amounts Buyer must pay or will receive pursuant to Section 14(c), to Escrow Agent for disbursement to Seller and others pursuant to this Agreement and the Settlement Statement;
 - ii. Execute and deliver the Right of Re-Entry Agreement provided for in Section 28 below; and
 - iii. File or cause Escrow Agent to file an Electronic Certificate of Real Estate Value, if required and necessary.
- c. **Closing Costs.**
 - i. At Closing, the following Seller closing costs and expenses must be paid from the Purchaser Price or, if the Purchase Price is not sufficient, paid by Seller:
 1. Seller shall pay all outstanding property taxes, including but not limited to, Payable 2024 for the Property.

2. Seller shall pay all special assessments levied or pending against the Property as of the Closing Date.
 3. Seller's own attorney's fees.
 4. One-half the cost of any closing fees.
 5. The cost of real estate broker commission fees as prescribed in Section 14.
 6. State Deed Tax
- ii. At Closing Buyer must pay the Purchase Price to Seller and the following costs and expenses:
1. Buyer's portion of prorated property taxes.
 2. Buyer's own attorney's fees.
 3. One-half the cost of any closing fees.
 4. Documentary and recording fees for the deed(s).
 5. The cost of the owner's title insurance policy, if Buyer elects to purchase an Owner's title insurance policy.
- d. **Possession**. Seller must deliver possession of the Property to Buyer at Closing.

14. REAL ESTATE BROKERS. Seller and Buyer represent and warrant to each other that they have dealt with brokers, real estate agents, finders or the like in connection with this transaction, other than CBRE, Inc. ("Sellers Broker") and Midland Atlantic Development Company, LLC ("Buyer Broker"). Seller shall pay Seller's Broker as required by their agreement 3.5% of final gross sale price and Buyers Broker 3.5% of final gross sales price. Seller and Buyer agree to indemnify each other and to hold each other harmless against all claims, damages, costs or expenses of or for any broker's fees or commissions resulting for their actions or agreements regarding the execution or performance of this Agreement, other than the fees payable to Seller's Broker, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other party, including reasonable attorney's fees.

15. ASSIGNMENT. This Agreement may not be assigned without the written consent of the non-assigning Party. The Seller recognizes the Buyer intends to assign this Agreement to an affiliated special purpose entity that will be registered officially with the State of Minnesota.

16. THIRD PARTY BENEFICIARY. There are no third-party beneficiaries of this Agreement, intended or otherwise.

17. JOINT VENTURE. Seller and Buyer, by entering into this Agreement and completing the transactions described herein, shall not be considered joint ventures or partners.

18. CAPTIONS. The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement, and are not to be considered in interpreting this Agreement.

19. ENTIRE AGREEMENT / MODIFICATION. This written Agreement constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the Property. There are no verbal agreements that change this Agreement and no waiver or modification of any of its terms will be effective unless in writing executed by the parties.

20. BINDING EFFECT. This Agreement binds and benefits the Parties and their successors and assigns.

21. CONTROLLING LAW. This Agreement is made under the laws of the State of Minnesota and such laws will control its interpretation.

22. REMEDIES.

a. If Buyer fails to perform any of the terms or conditions of this Agreement within the specified time limits, Seller may declare this Agreement terminated pursuant to Minnesota Statutes section 559.21. Seller's sole remedy in the event of Buyer's default is retention of the Earnest Money, unless Buyer defaults under Section 7 or 11 of this Agreement, in which case Seller may retain the Earnest money or suspend the performance of its obligations under this Agreement and commence an action in Anoka County District Court to recover its actual damages arising from the default.

b. If Seller fails to perform any of the terms or conditions of this Agreement within the specified time limits, Buyer may, as its sole remedy, declare this Agreement terminated in which case Escrow Agent and, if applicable, Seller, shall refund the Earnest Money (both the Initial Disbursement and the Remaining Earnest Money) to Buyer, or, in the alternative, Buyer may have this Agreement specifically enforced and recover any incidental damages. Buyer waives all claims for consequential damages against Seller based on Seller's breach or alleged default hereunder.

23. WAIVER. Failure of Seller or Buyer to insist upon the performance of any of the covenants, agreements and/or conditions of this Agreement or to exercise any right or privilege herein shall not be deemed a waiver of any such covenant, condition or right.

24. SURVIVAL OF TERMS AND CONDITIONS. The terms and conditions of this Agreement shall survive and be in full force and effect after the delivery of the deed, and shall not be deemed to have merged therein.

25. SEVERABILITY. Each provision of this Agreement shall apply to the extent permitted by applicable law and is intended to be severable. If any provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of the Agreement.

26. CONSTRUCTION. The Parties acknowledge that this Agreement was initially prepared by Seller solely as a convenience and that all Parties and their counsel hereto have read and full negotiated all the language used in this Agreement. The Parties acknowledge that because all Parties and their counsel participated in negotiating and drafting this Agreement, no rule of construction shall apply to this Agreement to construe ambiguous or unclear language in favor of or against any Party.

27. COUNTERPARTS; DIGITAL COPIES. This Agreement may be executed in any number of counterparts and the signature pages of the separate counterparts combined into a single copy of this Agreement which will then constitute a fully executed version of this Agreement. A facsimile, .pdf file or digital copy of a signed counterpart or of an assemblage of counterparts of this Agreement shall be deemed to be an original thereof.

28. CONSTRUCTION PERMIT DEADLINE. Within twenty-four months from the Closing Date, Buyer shall construct and obtain all permits and approvals a certificate of occupancy from the City of Ramsey for a minimum 1,674 SF oil change building and to construction of 20 space parking lot on Northstar Marketplace site and connection to oil change development (Concept Plan on attached Exhibit B) and compliant with COR Zoning requirements to be further defined by an approved Site Plan. At Closing, a “Right of Re-Entry Agreement” shall be executed and recorded against the Property providing that, in the event the above deadline is not met, Seller has the right to reclaim title to the parcel(s) for which a certificate of occupancy was not obtained.

29. TIME PERIODS. The time for performance of any obligation or taking any action under this Agreement shall be deemed to expire at 5:00 p.m. Central Time on the last day of the applicable time period provided for in this Agreement. If the time for the performance of any obligation or taking any action under this Agreement expires on a Saturday, Sunday or legal holiday, the time for performance or taking such action shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.

30. PLATTING & DEVELOPMENT AGREEMENT. Buyer must be in the process of obtaining an approved final plat (if needed), development agreement, and building exterior visual renderings with the City of Ramsey for its intended project before Closing. The Development Agreement and Site Plan must comply with all local zoning ordinances and design standards, including The COR Design Standards.

SELLER: The City of Ramsey, a Minnesota municipal corporation

By: _____
Mark Kuzma, Mayor

Dated: _____, 2024

By: _____
Brian Hagen, City Administrator

Dated: _____, 2024

BUYER: MIDLAND ATLANTIC DEVELOPMENT COMPANY, LLC

By: _____
T Aaron Boyle, Manager

Dated: _____, 2024

Exhibit A

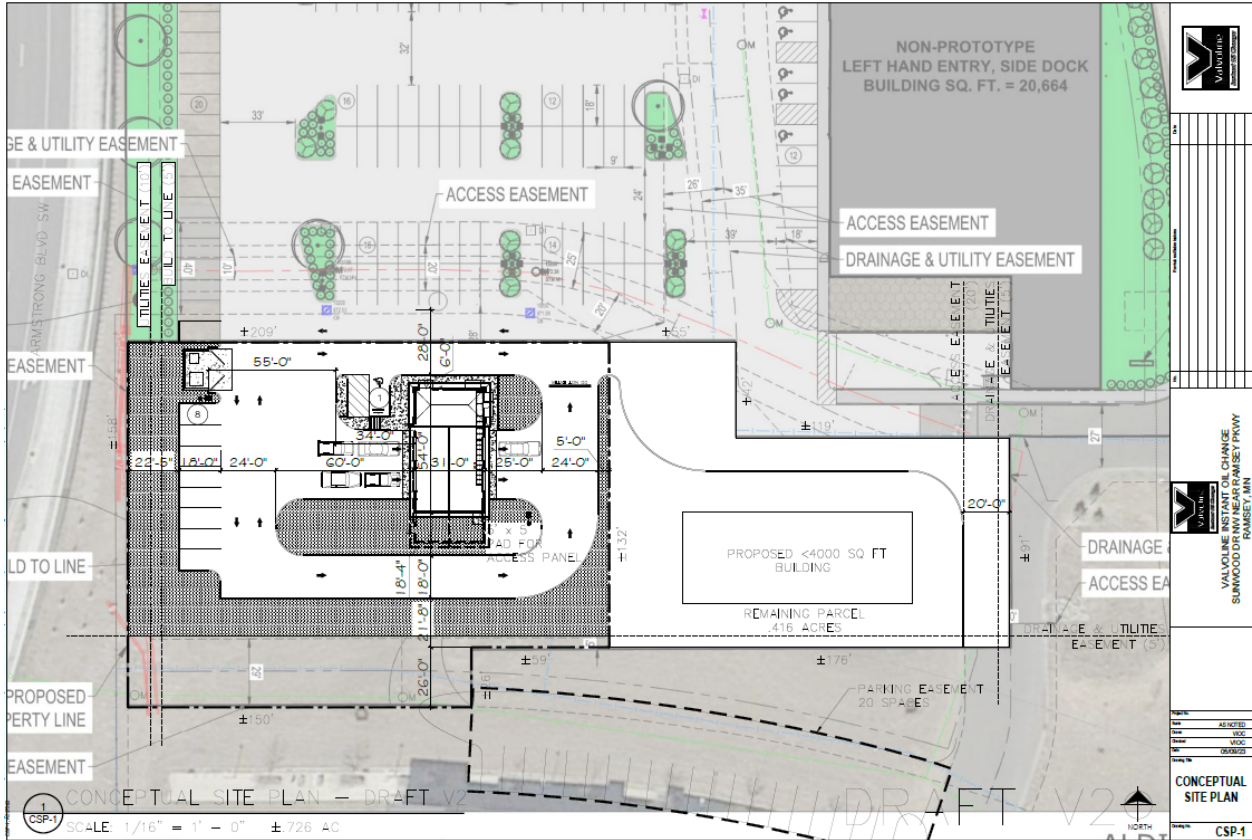
Legal Description

Lot 2, Block 1, COR FOUR, Anoka County Minnesota

PID Number: 28-32-25-23-0023 (“Property”)

Exhibit B

Concept Plan



[Reserved for Recording Data]

RIGHT OF RE-ENTRY AGREEMENT

This Right of Re-entry Agreement (this “**Agreement**”) is entered into on _____, 2023, by and between the **City of Ramsey**, a Minnesota municipal corporation (“**Seller**”), and **Midland Atlantic Development Company, LLC, an Indiana Limited Liability Company** (“**Buyer**”).

Recitals

- A. On _____, 2024, Seller conveyed title of the following real property to Buyer (the “**Property**”):
- Lot 2, Block 1, COR FOUR, Anoka County, Minnesota
- B. Title to the Property was conveyed subject to Buyer fulfilling the Condition as set forth below.
- C. Pursuant to Section 6.02 of that certain Real Estate Purchase Agreement between Seller and Buyer, with an Effective Date of _____ (the “**Purchase Agreement**”), it is the intent of the parties to create and set forth a right to impose a penalty or a right of re-entry in favor of Seller in the event Buyer fails to satisfy the Condition set forth below.

Agreement

1. The recitals are incorporated herein as if fully set forth.
2. Seller shall have the right, but not the obligation, as Seller’s sole and exclusive remedy, to re-enter and take fee title to the Property pursuant to Paragraph 3 below, in the event that Buyer fails, subject to Force Majeure (defined below), casualty, condemnation, or other circumstance out of the reasonable control of Buyer, to obtain ~~a certificate of occupancy~~ **permits and approvals** from Seller (the “**Condition**”), for a minimum 1,674 SF Valvoline Oil Change Building compliant with COR zoning and development standards at the Property on or prior to **Insert Date 24 months after Closing** (the “**Condition Satisfaction Deadline**”), and such failure continues for a period of 30 days after Buyer’s

receipt of written notice from Seller. Seller agrees that Seller shall not unreasonably withhold, condition, deny, or delay said required certificate of occupancy and that a failure of satisfaction of the Condition on or prior to the Condition Satisfaction Deadline that is due to or attributable to (a) any such delay by Seller shall not entitle Seller to its remedy set forth in this Agreement, and/or (b) Seller's failure to timely complete Seller's Site Obligations as set forth in the Purchase Agreement.

3. If Buyer has failed, subject to Force Majeure (defined below), casualty, condemnation, or other circumstances out of the reasonable control of Buyer, to satisfy the Condition on or prior to the Condition Satisfaction Deadline, and such failure continues beyond the notice and cure period, then at any time thereafter until the Condition is satisfied, at the written request of the Seller, Buyer shall convey to Seller in exchange for payment by Seller to Buyer (in immediately available funds) of Two hundred ninety-four thousand two hundred thirty six and 80/100's dollars \$294,236.80 less paid commissions, the Property. If Seller so elects to re-enter and retake the Property as provided herein, Buyer shall, within 30 days after receipt of Seller's written notice, deliver to Seller a limited warranty deed, subject to all matters of records other than for monetary liens for which Buyer is responsible, as well as any other reasonable ancillary documents reasonably necessary to transfer fee title to the Property to Seller. All applicable deed tax required to be paid by the transfer to the Seller will be paid by Buyer.
4. This document constitutes the entire Agreement between the parties with respect to the subject matter hereof. Any modifications or amendments to this Agreement must be in writing and signed by both parties.
5. This Agreement may be executed in counterparts, each of which when executed and delivered shall be deemed an original, but such counterparts together shall constitute but one and the same document.
6. This Agreement shall automatically terminate and be of no further force or effect upon the date that Buyer satisfies the Condition, and Seller agrees to immediately execute and deliver to Buyer, in recordable form, a document removing this Agreement of record. If Seller fails to deliver said termination within 5 business days after receipt of written request from Buyer (which may be by email), then Buyer may unilaterally record a termination of this Agreement of record and Seller agrees that such termination shall conclusively be deemed effective, and may be relied upon by title companies and future purchasers of the Property.
7. If Buyer is delayed or hindered in or prevented from satisfying the Condition by Force Majeure, the Condition Satisfaction Deadline shall be extended for the period of the delay. The term "**Force Majeure**" means a delay beyond the reasonable control of the delayed party caused by labor strikes, lock outs, industry wide inability to procure materials, extraordinary restrictive governmental laws or regulations (such as gas rationing), delays caused by any governmental or quasi-governmental entity, delays caused by utility service providers, mass riots, war, military power, sabotage, material fire or other material casualty, a Pandemic Event (defined below), Severe Weather, or an extraordinary and material act of God (such as a tornado or earthquake). The term "**Severe Weather**" means weather that a reasonable person would find unusual and unanticipated at the time of the scheduling of the activity based on recent weather patterns for the period in question

in the vicinity of the Property, provided that the delayed party delivers to the other party, upon request, reasonable documentation from an unbiased weather authority substantiating such claim. The term “**Pandemic Event**” means any of the following: state of emergency or public health emergency or pandemic (including, without limitation, Covid-19), government mandated quarantine or travel bans, government mandated closures, disruption, breakdown, delayed production or interruption for any period of time, interruptions to transportation, or the use of equipment, labor, or materials, including, without limitation, the closure of government buildings, airports, harbors, railroads, or pipelines, or other infrastructure due to worldwide or regional pandemic or other health related event disruptions.

8. This Agreement shall not be assignable by Buyer or Seller.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

[Signature and Acknowledgement Pages Follow]

SELLER:

CITY OF RAMSEY,
a Minnesota municipal corporation

By: _____
Mark E. Kuzma, Mayor

By: _____
Brian Hagen, City Administrator

This instrument was acknowledged before me on _____, 2024, by Mark E. Kuzma and Brian Hagen as Mayor and City Administrator, respectively, of the City of Ramsey, Minnesota.

Notary Public

BUYER:

Midland Atlantic Development Company, LLC

By: _____
T Aaron Boyle, Manager

This instrument was acknowledged before me on _____, 202____, T Aaron Boyle, Manager of Midland Atlantic Development Company, LLC, a Minnesota Limited Liability Company, on behalf of the corporation.

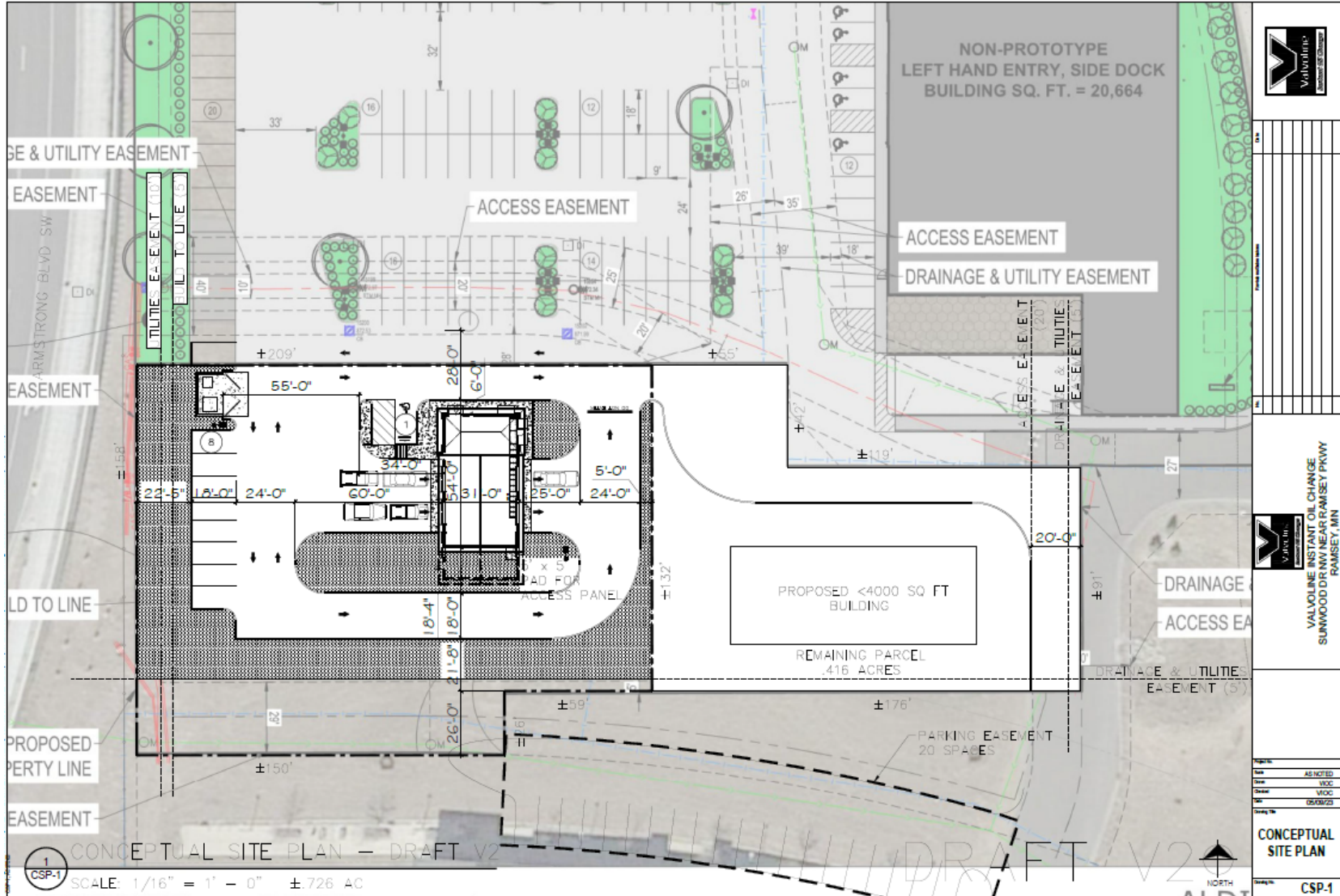
Notary Public

This instrument drafted by:
City of Ramsey
7550 Sunwood Drive NW
Ramsey, MN 55303
763-433-9868

TERM SHEET FOR Midland Atlantic Development Company, LLC (Valvoline) – 2.6.24

Real Estate	Tax ID Number: 28-32-25-23-0023. Lot 2, Block 1, COR FOUR, (Parcel 42a)
Acreage	Approximately 1.16 acres or 50,529 SF
Asking Price	\$404,236 (\$8.00 / SF)
Offer Price	\$404,236.80 (\$8.00 / SF) – Net \$294,236.80 (\$5.82/SF) (Subject to change based on \$110,000 credit provided for construction of 20 space parking lot on Northstar Marketplace site and connection to Valvoline development)
Earnest Money	\$15,000 Non-refundable upon Notice to Proceed being executed.
Inspection Period	180 days from Effective Date (Date City Council approves) (city requires plat (if needed)/ site plan approval before sale)
Closing	Within 30 days of Notice to Proceed.
Commission	3.5% commission for Mid-America Real Estate and 3.5% to CBRE.
Extensions to Close	Developer will deposit \$5,000 in escrow for each 30-day extension (2 extensions allowed) Once extensions are made the money becomes non-refundable.
City take care of	Provide existing plat information and updated Title Commitment.
Performance	City to require construction of a minimum 1,674 SF commercial/retail building (Valvoline Oil Change) compliant with COR Zoning requirements and obtain permits and approvals within 24 months after Closing. Developer agrees to execute Right of Re-Entry Agreement that requires City Buyback from Seller at purchase price, less commission if Project is not built. In addition, the Developer will be responsible for construction of 20 space parking lot on Northstar Marketplace site and connection to Valvoline development and future plat (if needed) for Remnant building site.
Assignment	Requires city approval if not same owners / company.
Contingencies	Will need release from Aldi for Site Plan for Oil Change and Remnant Development
Review	EDA (Sean): Land Transaction/ Purchase Agreement/ Right of Re-Entry Planning Commission (Todd/Staff): Land Use, Development Agreement, Site Plan, Plat City Council: Final Approval on both items

Valvoline Site Plan



Economic Development Authority (EDA)**Meeting Date:** 02/08/2024**Primary Strategic Plan Initiative:** Enhance City's communication through transparency and accountability.**Title:**

Consider Refund of Earnest Money and Project Costs to COR Trust Bank N.A.

Purpose/Background:

On January 19th, 2024, the City received a letter from COR Trust Bank requesting the City return \$10,000 in non-refundable Earnest Money and to reimburse \$67,644.31 in additional project expenses incurred by COR Trust for the project proposed at the NE Corner of Sunwood Drive and Zeolite Street. Staff has communicated to COR Trust Bank that Staff is not supportive of reimbursing \$67,644.31 in additional project expenses.

The City Ramsey entered into a purchase agreement and subsequent amendments to the purchase agreement to sell land to COR Trust Bank to construct a bank. On May 25, 2023, the Planning Commission made a recommendation supporting the re-zoning and site plan approval to City Council for the 5,020 bank by COR Trust Bank. COR Trust Bank provided a Notice to Proceed on July 5, 2023 which made the \$10,000 Earnest Money non-refundable. On July 11th, 2023, the City Council did not approve the site plan as recommended by the Planning Commission, citing various reasons.

The Notice to Proceed was provided to the City after the Planning Commission recommendation to approve the site plan. Based on the timing of this recommendation, the developer assumed that the project appeared to be moving forward. However, as mentioned above, the City Council did not approve the site plan and the project is not moving forward. The Developer looked briefly at other sites but decided that it no longer has an interest in building in Ramsey and has made the request for funds to be returned for the EDA and City Council to consider. Staff supports the request to return the Earnest Money but not the additional project expenses.

Notification:

None required

Time Frame/Observations/Alternatives:

Based on the terms of the Purchase Agreement, subsequent amendments to the purchase agreement and the Notice to Proceed provided by COR Trust the City has no obligation to return the now "Non-refundable Earnest Money". However, Staff is generally supportive of returning the \$10,000 in Earnest Money based on the timing of the Notice to Proceed following the non-binding Planning Commission recommendation. Staff is not supportive of returning the \$67,644.31 in additional expenses requested by COR Trust Bank. Many projects incur costs in preparation of a site plan that is ultimately not submitted, or the developer decides not to move forward. There is time and expense that is incurred by both the City and developer during this preliminary sketch plan and site plan process. There is also risk by the developer to provide a Notice to Proceed prior to formal City Council approvals which ultimately made the Earnest Money nonrefundable in this instance.

Based on the information above, Staff believes the developer was acting in good faith by submitting the Notice to Proceed which ultimately made the Earnest Money Non-refundable. Unfortunately for the developer, the City Council did not accept the Planning Commission recommendation (the Council is not bound by the recommendation by Planning Commission) and the project did not receive necessary

approvals to move forward.

Alternatives include:

- 1) Recommendation to City Council to return \$10,000 in Earnest Money to COR Trust Bank, N.A. (Staff Recommendation)
- 2) Recommendation to City Council to return \$10,000 in Earnest Money and Reimburse \$67,644.31 in additional expenses to COR Trust Bank, N.A.
- 3) No action
- 4) Something Else

Funding Source:

If the \$10,000 Earnest Money is returned the source of funds would be the funds held in Escrow

If the \$67,644.31 in additional expenses were to be reimbursed, a funding source would need to be identified by the City Council.

Recommendation:

Recommendation to City Council to return \$10,000 in Earnest Money to COR Trust Bank, N.A.

Outcome/Action:

- 1) Motion to Recommend to City Council to return \$10,000 in Earnest Money to COR Trust Bank, N.A. (Staff Recommendation)
- 2) Motion to Recommend to City Council to return \$10,000 in Earnest Money and Reimburse \$67,644.31 in additional expenses to COR Trust Bank, N.A.
- 3) No action
- 4) Something Else

Attachments

- ACTION - Letter Requesting Refund and Reimbursement by COR Trust Bank
- Notice to Proceed by COR Trust Bank
- Reference - Original PA (Executed)
- Reference - 1st Amendment to PA
- Reference - 2nd Amendment to PA

Form Review

Inbox	Reviewed By	Date
Brian Hagen	Kathy Schmitz	02/02/2024 11:53 AM
Form Started By: Sean Sullivan		Started On: 01/29/2024 04:00 PM
Final Approval Date: 02/02/2024		



1300 Babcock Blvd E

Delano, MN 55328

January 19, 2024

City of Ramsey
Sean Sullivan
Economic Development Manager
7550 Sunwood Dr. NW
Ramsey, MN 55303

Dear Sean,

As a result of the City of Ramsey not approving CorTrust Bank's application for the construction of a Branch at the corner of Zeiolite and Sunwood after agreeing to all of the conditions set forth by the Ramsey City Planner and Ramsey Planning Commission, CorTrust Bank is formally requesting the return of the earnest money of \$10,000 and the \$67,644.31 in additional expenses. A breakdown of the expenses can be supplied upon request. CorTrust has no interest in moving forward with any other parcels in the City of Ramsey. Please respond by February 2, 2024, with your willingness to reimburse for the expenses incurred by CorTrust Bank. If you have any questions regarding this matter, please feel free to call me at (763) 972-4219.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dean Suchy".

Dean Suchy
Market President

From: [Dean Suchy](#)
To: [Sean Sullivan](#)
Cc: [Stephanie Hanson](#)
Date: Wednesday, July 5, 2023 9:07:26 AM
Attachments: [image001.png](#)

Sean,

“This correspondence serves as provision of a “Notice to Proceed” for COR Trust Bank per the terms of the Purchase Agreement with an effective date of August 30, 2022 and the First and Second Amendments to Purchase Agreement between COR Trust Bank N.A. and the City of Ramsey”

Thanks

Dean Suchy
Market President

NMLS#1080050
1300 Babcock Blvd E
Delano, MN 55328
Office 763-972-4219
Cell 612-590-1165



PURCHASE AGREEMENT

This Agreement is entered into by and between the **City of Ramsey**, a Minnesota municipal corporation (“Seller”), and **COR TRUST BANK, N.A.**, a South Dakota Corporation (“Buyer”).

In consideration of the Earnest Money, the mutual covenants set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

1. **EFFECTIVE DATE.** The effective date of this Agreement is August 30, 2022 (the “Effective Date”).
2. **SALE OF PROPERTY.** Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller approximately 1.5 acres (65,340 SF) of vacant land, legally described as follows:

Part of Outlot C, Affinity At The COR, to be platted as:

T.B.D. Anoka County, Minnesota

PID Number: Portion of 28-32-25-24-0017 (“Property”)

3. **PURCHASE PRICE.** The purchase price for the Property is \$6.00 / Square foot or \$392,040 as depicted on attached Exhibit and subject to square footage of plat (the “Purchase Price”).
4. **EARNEST MONEY AND ADDITIONAL EARNEST MONEY.** Within five business days after the Effective Date, Buyer must deposit the sum of \$10,000.00 (the “Earnest Money”) with Land Title Company or other title company that is mutually agreed upon (“Escrow Agent”), via wire transfer or delivery of a certified check payable to Escrow Agent.
 - a. If Buyer does not deposit the Earnest Money as required above, then Seller may terminate this Agreement by written notice to Buyer; provided, however, if Buyer deposits the Earnest Money with Escrow Agent before Seller exercises Seller’s right to terminate, Seller’s right to terminate is extinguished.
 - b. Upon Seller’s receipt of a Notice to Proceed from Buyer in accordance with Section 9(b), all of the Earnest Money becomes non-refundable (except in accordance with Section 22 as a result of a default by Seller).

- c. If Buyer does not provide a Notice to Proceed to Seller in accordance with Section 9(b), this Agreement automatically terminates, and Escrow Agent must disburse all Earnest Money Escrow Agent holds to Buyer.
 - d. At Closing, Escrow Agent shall disburse to Seller any Earnest Money not previously disbursed to Seller, and Buyer shall receive a credit against the Purchase Price owing at Closing in an amount equal to the amount of the Earnest Money.
5. **SURVEY.** Seller has provided the Buyer a 2016 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes Items: 1, 2, 3, 4, 5, 7a, 8, 11, and 14 of Table A thereof for the underlying legal (the "Survey") from a duly licensed surveyor dated March 5, 2018. Buyer may arrange with the surveyor to include additional information on the Survey at Buyer's expense.

6. **TITLE COMMITMENT.**

- a. Seller makes no representations or warranties with respect to the status of title to the Property. Within thirty (30) business days after the Effective Date, Seller shall, at Seller's expense, obtain a commitment from Escrow Agent to issue an owner's policy of title insurance insuring Buyer's title to the Property (the "Title Commitment") and deliver the Title Commitment and copies of or internet access to copies of all recorded documents referenced in the Title Commitment to Buyer.
- b. Buyer shall have until the date thirty (30) days after the receipt of the Title Commitment and the Survey (collectively, "**Title/Survey**") to review Title/Survey and to give Seller written notice of (i) any defects in the marketability of Seller title to the Property or any encumbrances on Seller's title to the Property that are objectionable to Buyer, and (ii) the specific actions Buyer requests that Seller take with respect to each such defect or encumbrance (a "**Title Objection Notice**"). Any defects in or encumbrances on Seller's title that Buyer does not identify in a timely Title Objection Notice are each a "**Permitted Exception**." Within three (3) business days after Seller's receipt of a Title Objection Notice from Buyer, Seller will notify Buyer, in writing, of the actions, if any, that Seller is willing to take with respect to each of the matters identified in the Title Objection Notice and the time frame in which Seller will take those actions ("**Seller's Title Notice**"). If Seller's Title Notice indicates that Seller unconditionally agrees to make Seller's title to the Property marketable on or before the closing date established pursuant to Section 10, the parties shall proceed to closing pursuant to the terms of this Agreement. If Seller's Title Notice indicates that Seller does not unconditionally agree to make Seller's Title to the Property marketable on or before the closing date established in Section 10, Buyer may, at any time with three (3) business days after Buyer's receipt of Seller's Title Notice, terminate this Agreement by written notice to Buyer in which case this Agreement is terminated and Escrow Agent must disburse any

Earnest Money to Buyer (“**Buyer’s Title Termination Notice**”). If Buyer does not deliver a Buyer’s Title Termination Notice to Seller within the three (3) business days after Buyer’s receipt of Seller’s Title Notice, than Seller must perform in accordance with Seller’s Title Notice, Buyer shall be deemed to have waived Buyer’s objections to the extent Seller has not agreed to address them in Seller’s Title Notice, the matters to which Buyer objected and Seller did not agree to resolve are deemed Permitted Exceptions, and the parties shall proceed to Closing in accordance with the terms of this Agreement and the terms of Seller’s Title Notice.

7. **RIGHT OF ENTRY.** At all times after Buyer has deposited the Earnest Money with Seller and before the Closing, Buyer (and its employees, agents, and contractors) may enter the Property for the purpose of conducting soil tests, environmental tests and additional survey work, subject to the following conditions:
- a. Within one week after the termination of this Agreement, if either Seller or Buyer terminate this Agreement in accordance with the provisions hereof prior to Closing, Buyer must repair and or restore any damage Buyer or its employees, agents or contractors cause to the Property and remove any personal property, refuse or debris Buyer or its employees, agents or contractors brought onto or authorized third parties to bring onto the Property.
 - b. Buyer must defend and indemnify Seller from and against and hold Seller harmless Seller from all “Claims,” as defined in Section 10, arising out of, resulting from or relating to any loss of or damage to any property or business or out of any injury to or death of any person, if the loss, damage, injury, or death arises or is alleged to arise either directly or indirectly and either wholly or in part from: (a) any action or omission of Buyer or its employees, agents, or contractors, while on the Property pursuant to this Section; or (b) actions or omissions of Buyer or Buyer’s employees, agents, or contractors that cause or result in the release of any Hazardous Substance onto the Property or onto other property.
 - c. Buyer must comply with and shall cause it employees, agents, and contractors to comply with all applicable laws, while on the Property.
 - d. Other than a standard Phase 1 environmental assessment, Buyer may not commence any environmental testing on the Property until Buyer submits a work plan for such testing to Seller and Seller approves the work plan, in writing. Seller may not unreasonably withhold, condition or delay Seller’s approval of a work plan.
 - e. Buyer must, promptly and without demand from Seller, provide Seller with true and complete copies of all draft and final reports relating to Buyer’s geotechnical and environmental investigations and testing of the Property including, without limitation, any reports relating to any Phase I Environmental Site Assessment of the Property.

- f. The cost of any test or additional survey work will be borne solely by Buyer.
- g. The payment and indemnification provisions of this Section 7 shall survive any termination or cancellation of this Agreement and are referred to herein as the “Surviving Obligations.”

8. PROPERTY SOLD AS IS. Subject to Buyer’s right to terminate this Agreement pursuant to Section 9, Buyer agrees to accept the Property in its current condition, including, without limitation, its current environmental and geological condition, and in an “AS-IS” and with “ALL FAULTS” condition. Buyer’s payment of the Purchase Price at Closing constitutes Buyer’s acknowledgment and agreement that:

- a. Seller has not made any written or oral representations or warranties of any kind with respect to the Property (including without limitation express or implied warranties of title, merchantability, or fitness for a particular purpose);
- b. Buyer has not relied on any written or oral representation or warranty made by Seller, its agents or employees with respect to the condition or value of the Property;
- c. Buyer has had an adequate opportunity to inspect the condition of the Property, including without limitation any environmental testing, and to inspect documents applicable thereto, and Buyer is relying solely on such inspection and testing; and
- d. The condition of the Property is fit for Buyer’s intended use.
- e. Buyer accepts all risk of Claims (including without limitation all Claims under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation) whether past, present or future, existing or contingent, known or unknown, arising out of, resulting from or relating to the condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.

9. INSPECTION PERIOD.

- a. Except as otherwise provided in Section 6, Buyer shall have from the date that Buyer deposits the Earnest Money with Escrow Agent to **March 30, 2023** (the “**Inspection Period**”) to investigate the Property and determine, in Buyer’s sole judgment, whether (i) the condition of the Property is suitable to Buyer’s intended use; and (ii) Buyer will be able to obtain all governmental approvals (including, but not limited to, approvals necessary to subdivide and re-plat the Property) and utilities necessary for Buyer’s intended use of the Property. Buyer acknowledges

and agrees that Seller has not made any covenants, representations or warranties regarding Buyer's ability to obtain governmental approvals from the City of Ramsey or any other governmental entity. The City of Ramsey will review, consider and act on any applications Buyer submits to the City for governmental approvals in accordance with City Code.

- b. Buyer may, at any time on or before 5:00 p.m. on the last day of the Inspection Period, terminate the Agreement by written notice to Seller based on Buyer's determination, in Buyer's sole and absolute discretion, that the condition of the Property is not suitable for Buyer's intended use or that Buyer may not be able to obtain all governmental approvals and utilities necessary for Buyer's intended use of the Property. In addition, this Agreement automatically terminates at 5:00 p.m. on the last day of the Inspection Period unless, prior to that time Buyer delivers a written notice of Buyer's intention to proceed (a "**Notice to Proceed**") to Seller.
- c. If, pursuant to Section 9(b) either Buyer terminates this Agreement or this Agreement is automatically terminated, the Escrow Agent must disburse to Buyer any Earnest Money Escrow Agent holds.

10. DEFINITIONS. As used in this Agreement:

"Claim" or **"Claims"** means any and all liabilities, suits, claims, counterclaims, causes of action, demands, penalties, debts, obligations, promises, acts, fines, judgments, damages, consequential damages, losses, costs, and expenses of every kind (including without limitation any attorney's fees, consultant's fees, costs, remedial action costs, cleanup costs and expenses which may be related to any claims).

"Environmental Law" means the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Federal Water Pollution Control Act (the Clean Water Act), 33 U.S.C. § 1251 et seq. the Clean Air Act, 42 U.S.C. § 7401 et seq., and the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., all as amended from time to time, and any other federal, state, local or other governmental statute, regulation, rule, law or ordinance dealing with the protection of human health, safety, natural resources or the environment now existing or hereafter enacted.

"Hazardous Substance" or **"Hazardous Substances"** means any pollutant, contaminant, hazardous substance or waste, solid waste, petroleum product, distillate, or fraction, radioactive material, chemical known to cause cancer or reproductive toxicity, polychlorinated biphenyl or any other chemical, substance or material listed or identified in or regulated by any Environmental Law.

- 11. RELEASE.** By accepting the deed to the Property, Buyer, for itself, its directors, officers, stockholders, divisions, agents, affiliates, subsidiaries, predecessors, successors, and assigns and anyone acting on its behalf or their behalf hereby fully releases and forever discharges Seller from any and all Claims (including without limitation all Claims

arising under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation), past, present and future, known and unknown, existing and contingent, arising out of, resulting from, or relating to the condition of the Property, and Buyer hereby waives any and all causes of action (including without limitation any right of contribution) Buyer had, has or may have against Seller and anyone acting on its behalf with respect to the condition of the Property, whether arising at common law, in equity or under a federal, state or local statute, rule or regulation. The foregoing shall apply to any condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.

- 12. NOTICES.** Notices permitted or required by this Agreement must be in writing and shall be deemed given when delivered in legible form to the party to whom addressed. Notices may be sent by certified mail or e-mail. Notices are effective two business days after they are mailed via certified mail, return receipt requested or, if sent by email, upon email transmission (provided that any email transmission that occurs after 5:00 pm Pacific Time will be deemed provided on the following day). If delivered at the Closing, a notice shall be deemed given when hand-delivered to the party's representative at the Closing. The business addresses of the parties are as follows:

Seller: City Administrator
 City of Ramsey
 7550 Sunwood Drive N.W.
 Ramsey, MN 55303
 Email: bhagen@cityoframsey.com

Buyer: CorTrust Bank, N.A.
 Mr. Dean Suchy, Market President
 1300 Babcock Blvd East
 Delano, MN 55328
 Email: dsuchy@cortrustbank.com

Notices not given in the manner or within the time limits set forth in this Agreement are of no effect and may be disregarded by the party to whom they are directed.

- 13. CLOSING.** This transaction for each lot shall close within 30 days after Buyer delivers a Notice to Proceed to Seller or on such earlier date as Seller and Buyer may establish by mutual, written agreement; provided, however, Buyer may extend the Closing a total of two (2) times, each time for a period of Sixty (60) days, by depositing an additional Ten Thousand and 00/100 Dollars (\$10,000.00) earnest money with Escrow Agent for each extension. Each \$10,000 extension payment shall be non-refundable, but applicable to the Purchase Price. The Closing shall take place at the offices of the Escrow Agent, or at some other place as the parties may mutually agree prior to such date. At the option of either Party, the executed closing documents, Purchase Price and closing costs may be

deposited with the Escrow Agent and disbursed by the Escrow Agent pursuant to avoid the necessity for a Closing at which the Parties are present.

- a. **Seller's Obligations at Closing.** At Closing, Seller must deliver to Escrow Agent, for delivery to Buyer:
 - i. A limited warranty deed, duly executed and acknowledged on behalf of the City and with the City's seal affixed, conveying title to the Property, subject to (A) the lien of real estate taxes, if any, not yet due and payable and any installments of special assessments certified for payment therewith; (B) Building, Subdivision and Zoning Ordinances; (C) Matters that would be disclosed by an accurate survey of the Property; and (D) matters that constitute Permitted Exceptions pursuant to Section 6;
 - ii. A certified copy of a duly adopted City Ordinance and Resolution authorizing Seller's sale of the Property to Buyer;
 - iii. The Right of Re-Entry Agreement provided for in Section 28 below; and
 - iv. Seller's affidavits, well disclosure certificate (if required), settlement statement approved by Seller and Buyer, and any other documents required by the Escrow Agent.

- b. **Buyer's Obligations at Closing.** At Closing, Buyer must:
 - i. Wire Transfer (or deliver a certified check in) an amount equal to the amount of the Purchase Price adjusted for to reflect Buyer's prior payment of the Earnest Money and to reflect amounts Buyer must pay or will receive pursuant to Section 14(c), to Escrow Agent for disbursement to Seller and others pursuant to this Agreement and the Settlement Statement;
 - ii. Execute and deliver the Right of Re-Entry Agreement provided for in Section 28 below; and
 - iii. File or cause Escrow Agent to file an Electronic Certificate of Real Estate Value, if required and necessary.

- c. **Closing Costs.**
 - i. At Closing, the following Seller closing costs and expenses must be paid from the Purchaser Price or, if the Purchase Price is not sufficient, paid by Seller:
 1. Seller shall pay all outstanding property taxes, including but not limited to, Payable 2022 for the Property.

2. Seller shall pay all special assessments levied or pending against the Property as of the Closing Date.
 3. Seller's own attorney's fees.
 4. One-half the cost of any closing fees.
 5. The cost of real estate broker commission fees as prescribed in Section 14.
 6. State Deed Tax
- ii. At Closing Buyer must pay the Purchase Price to Seller and the following costs and expenses:
1. Buyer's portion of prorated property taxes.
 2. Buyer's own attorney's fees.
 3. One-half the cost of any closing fees.
 4. Documentary and recording fees for the deed(s).
 5. The cost of the owner's title insurance policy, if Buyer elects to purchase an Owner's title insurance policy.
- d. **Possession.** Seller must deliver possession of the Property to Buyer at Closing.

14. REAL ESTATE BROKERS. Seller and Buyer represent and warrant to each other that they have dealt with no brokers, real estate agents, finders or the like in connection with this transaction, other than CBRE, Inc. ("Seller's Broker") and JB Vang ("Buyer's Broker"). Seller shall pay Seller's Broker as required by their agreement 3% of final gross sale price. Seller shall pay Buyer's Broker 3% of final gross sales price. Seller and Buyer agree to indemnify each other and to hold each other harmless against all claims, damages, costs or expenses of or for any broker's fees or commissions resulting for their actions or agreements regarding the execution or performance of this Agreement, other than the fees payable to Seller's Broker, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other party, including reasonable attorney's fees.

15. ASSIGNMENT. This Agreement may not be assigned without the written consent of the non-assigning Party. The Seller recognizes the Buyer intends to assign this Agreement to an affiliated special purpose entity that will be registered officially with the State of Minnesota.

16. THIRD PARTY BENEFICIARY. There are no third-party beneficiaries of this Agreement, intended or otherwise.

17. JOINT VENTURE. Seller and Buyer, by entering into this Agreement and completing the transactions described herein, shall not be considered joint ventures or partners.

18. CAPTIONS. The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement, and are not to be considered in interpreting this Agreement.

19. ENTIRE AGREEMENT / MODIFICATION. This written Agreement constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the Property. There are no verbal agreements that change this Agreement and no waiver or modification of any of its terms will be effective unless in writing executed by the parties.

20. BINDING EFFECT. This Agreement binds and benefits the Parties and their successors and assigns.

21. CONTROLLING LAW. This Agreement is made under the laws of the State of Minnesota and such laws will control its interpretation.

22. REMEDIES.

- a. If Buyer fails to perform any of the terms or conditions of this Agreement within the specified time limits, Seller may declare this Agreement terminated pursuant to Minnesota Statutes section 559.21. Seller's sole remedy in the event of Buyer's default is retention of the Earnest Money, unless Buyer defaults under Section 7 or 11 of this Agreement, in which case Seller may retain the Earnest money or suspend the performance of its obligations under this Agreement and commence an action in Anoka County District Court to recover its actual damages arising from the default.
- b. If Seller fails to perform any of the terms or conditions of this Agreement within the specified time limits, Buyer may, as its sole remedy, declare this Agreement terminated in which case Escrow Agent and, if applicable, Seller, shall refund the Earnest Money (both the Initial Disbursement and the Remaining Earnest Money) to Buyer, or, in the alternative, Buyer may have this Agreement specifically enforced and recover any incidental damages. Buyer waives all claims for consequential damages against Seller based on Seller's breach or alleged default hereunder.

23. WAIVER. Failure of Seller or Buyer to insist upon the performance of any of the covenants, agreements and/or conditions of this Agreement or to exercise any right or privilege herein shall not be deemed a waiver of any such covenant, condition or right.

24. SURVIVAL OF TERMS AND CONDITIONS. The terms and conditions of this Agreement shall survive and be in full force and effect after the delivery of the deed, and shall not be deemed to have merged therein.

25. SEVERABILITY. Each provision of this Agreement shall apply to the extent permitted by applicable law and is intended to be severable. If any provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of the Agreement.

- 26. CONSTRUCTION.** The Parties acknowledge that this Agreement was initially prepared by Seller solely as a convenience and that all Parties and their counsel hereto have read and full negotiated all the language used in this Agreement. The Parties acknowledge that because all Parties and their counsel participated in negotiating and drafting this Agreement, no rule of construction shall apply to this Agreement to construe ambiguous or unclear language in favor of or against any Party.
- 27. COUNTERPARTS; DIGITAL COPIES.** This Agreement may be executed in any number of counterparts and the signature pages of the separate counterparts combined into a single copy of this Agreement which will then constitute a fully executed version of this Agreement. A facsimile, .pdf file or digital copy of a signed counterpart or of an assemblage of counterparts of this Agreement shall be deemed to be an original thereof.
- 28. CONSTRUCTION DEADLINE.** Within 16 months from the Closing Date Buyer shall construct and obtain a certificate of occupancy from the City of Ramsey for a 3,000 - 5,000 SF building compliant with COR Zoning requirements to be further defined by an approved Site Plan. At Closing, a "Right of Re-Entry Agreement" shall be executed and recorded against the Property providing that, in the event the above deadline is not met, Seller has the right to reclaim title to the parcel(s) for which a certificate of occupancy was not obtained.
- 29. TIME PERIODS.** The time for performance of any obligation or taking any action under this Agreement shall be deemed to expire at 5:00 p.m. Central Time on the last day of the applicable time period provided for in this Agreement. If the time for the performance of any obligation or taking any action under this Agreement expires on a Saturday, Sunday or legal holiday, the time for performance or taking such action shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.
- 30. PLATTING & DEVELOPMENT AGREEMENT.** Buyer must be in the process of obtaining an approved final plat, development agreement, and building exterior visual renderings with the City of Ramsey for its intended project before Closing. The Development Agreement and Site Plan must comply with all local zoning ordinances and design standards, including The COR Design Standards.

SELLER: The City of Ramsey, a Minnesota municipal corporation

By: Mark E. Kuzma
Mark E. Kuzma, Mayor

Dated: August 30, 2022

By: Brian Hagen
Brian Hagen, City Administrator

Dated: August 26, 2022

BUYER: CorTrust Bank, N.A.

By: Dean Suchy
Dean Suchy, Market President

Dated: 7.22, 2022

Exhibit A

Legal Description

Part of Outlot C, Affinity At The COR, to be platted as:

T.B.D. Anoka County, Minnesota

PID Number: Portion of 28-32-25-24-0017 ("Property")
approximately 1.5 acres (65,340 SF)

Exhibit B

Sunwood-Zeolite



**FIRST AMENDMENT
TO
PURCHASE AGREEMENT**

This is the First Amendment to the Purchase Agreement by and between the **City of Ramsey**, a Minnesota municipal corporation (“Seller”), and **COR Trust Bank, N.A.** and/or its assigns, a Minnesota Limited Partnership (“Buyer”), with an Effective Date of August 30, 2022.

Recitals

1. **EFFECTIVE DATE.** The Effective Date remains August 30, 2022.
2. **INSPECTION PERIOD.** The Inspection Period is changed from March 30, 2023 to April 30, 2023.
3. **EXHIBIT B – SITE PLAN CONCEPT.** The Site Plan concept has been revised to depict a 4,818 SF Bank.

Agreement

1. **AMENDMENT APPROVAL.** Buyer and Seller hereby approve this First Amendment to Purchase Agreement as modified by the above Recitals, which are hereby incorporated herein.
2. **REMAINING TERMS.** All other provisions of the Purchase Agreement remain unchanged except to the extent inconsistent with the terms of this First Amendment to Purchase Agreement. The terms used in this First Amendment to Purchase Agreement have the same meaning as in the Purchase Agreement.

SELLER: City of Ramsey, a Minnesota municipal corporation

By:  Dated: 3-15, 2023
Mark E. Kuzma, Mayor

By:  Dated: 03-16, 2023
Brian Hagen, City Administrator

BUYER: COR Trust Bank, N.A.

By:  Dated: 3.20, 2023
Dean Suchy, Market President

**SECOND AMENDMENT
TO
PURCHASE AGREEMENT**

This is the Second Amendment to the Purchase Agreement by and between the **City of Ramsey**, a Minnesota municipal corporation ("Seller"), and **COR Trust Bank, N.A.** and/or its assigns, a Minnesota Limited Partnership ("Buyer"), with an Effective Date of August 30, 2022.

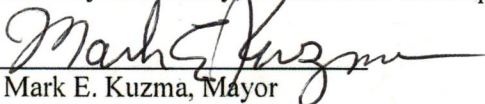
Recitals

1. **EFFECTIVE DATE.** The Effective Date remains August 30, 2022.
2. **INSPECTION PERIOD.** The Inspection Period is changed from April 30, 2023 to June 30, 2023.
3. **EXHIBIT B – SITE PLAN CONCEPT.** The Site Plan concept has been revised to depict a 5,020 SF Bank.

Agreement

1. **AMENDMENT APPROVAL.** Buyer and Seller hereby approve this Second Amendment to Purchase Agreement as modified by the above Recitals, which are hereby incorporated herein.
2. **REMAINING TERMS.** All other provisions of the First Amendment to Purchase Agreement and Purchase Agreement remain unchanged except to the extent inconsistent with the terms of this Second Amendment to Purchase Agreement. The terms used in this Second Amendment to Purchase Agreement have the same meaning as in the First Amendment to Purchase Agreement and Purchase Agreement.

SELLER: City of Ramsey, a Minnesota municipal corporation

By:  Dated: 5-17-, 2023
Mark E. Kuzma, Mayor

By:  Dated: 05-10, 2023
Brian Hagen, City Administrator

BUYER: COR Trust Bank, N.A.

By:  Dated: 4.27.23, 2023
Dean Suchy, Market President

Economic Development Authority (EDA)

Meeting Date: 02/08/2024

Primary Strategic Plan Initiative: Promote economic growth and development.

Title:

Receive 2023 Business Retention and Expansion Presentation

Purpose/Background:

The purpose of this case is to receive the attached report/information on the 2023 Business Retention & Expansion Program with a focus on Business Visits/Surveys. The 2023 goal was to make 30 or more business visits. In 2023, 30 formal business visits/surveys were conducted. Most visits were done in person but some visits were still conducted via phone to accommodate the schedules for businesses.

Time Frame/Observations/Alternatives:

Staff will present the attached report for detailed observations and 2024 recommendations. Staff is recommending the following for 2024:

- Conduct 30 or more Business Visits
- Visit Newer Businesses to Ramsey
- Both Phone and in-Person Visits (in person preferred)
- Blend of Commercial / Industrial and Retail
- Visit Hwy 10 Based Businesses
- Hwy 10 Construction Project Communication
- Promote Temporary Sign Regulations
- Continued Success at EDA Sponsored Events
- Review Business Contact Information on Business List

Funding Source:

This case is being handled as part of normal Staff duties.

Recommendation:

Motion to accept 2023 Business Retention Report and adopt the plan for 2024 (as presented)

Outcome/Action:

- 1) Motion to accept 2023 Business Retention Report and adopt the plan for 2024 (as presented)
- 2) Motion to accept 2023 Business Retention Report and adopt the plan for 2024 (with changes)
- 3) Something else

Attachments

ACTION - BR and E Report

Form Review

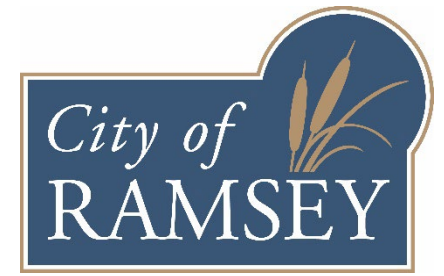
Inbox
Brian Hagen

Reviewed By
Brian Hagen

Date
02/01/2024 03:24 PM

Form Started By: Sean Sullivan
Final Approval Date: 02/01/2024

Started On: 01/29/2024 02:26 PM



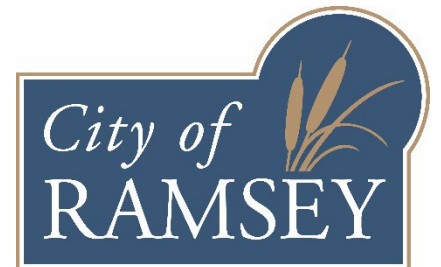
ECONOMIC DEVELOPMENT

2023 Business Retention & Expansion Program

2023 SUMMARY

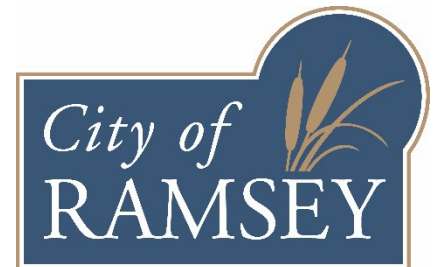
Business visits are conducted throughout the year by the Economic Development Manager and EDA Members. Each visit is 30-60 minutes long. The City uses questions based on the Greater MSP Salesforce survey template. These business visits help establish and maintain relationships with the business community and can identify areas in need of improvement or affirmation of current practices for the City. The 2023 goal was to have at least 30 formal business visits.

In 2023, a total of 30 formal visits were completed. Many informal visits and communication with Ramsey businesses occurred but are not part of Summary Data provided within the report. According to Minnesota Department of Employment and Economic Development (DEED), the City of Ramsey saw an increase of 22 business establishments and 57 employees in 2023.

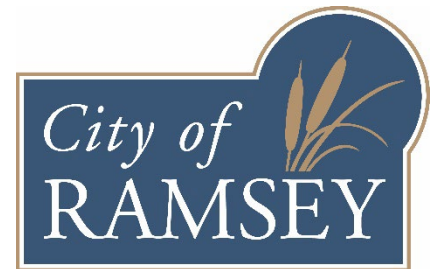
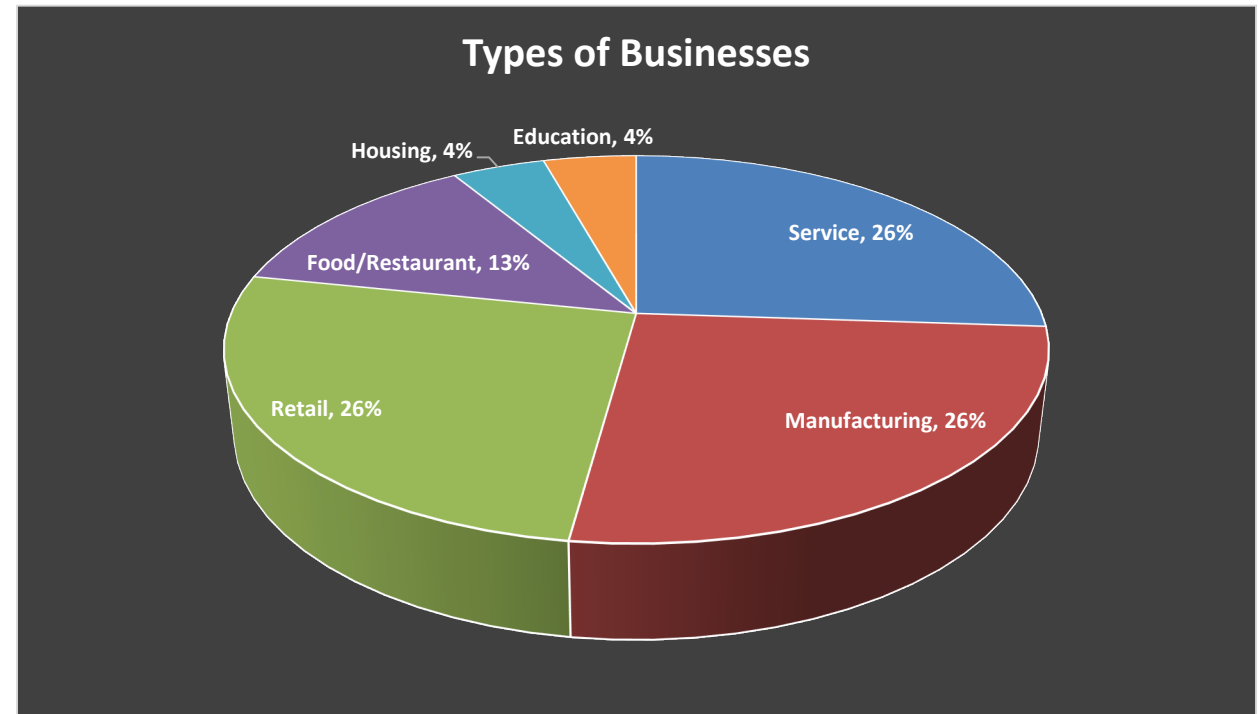
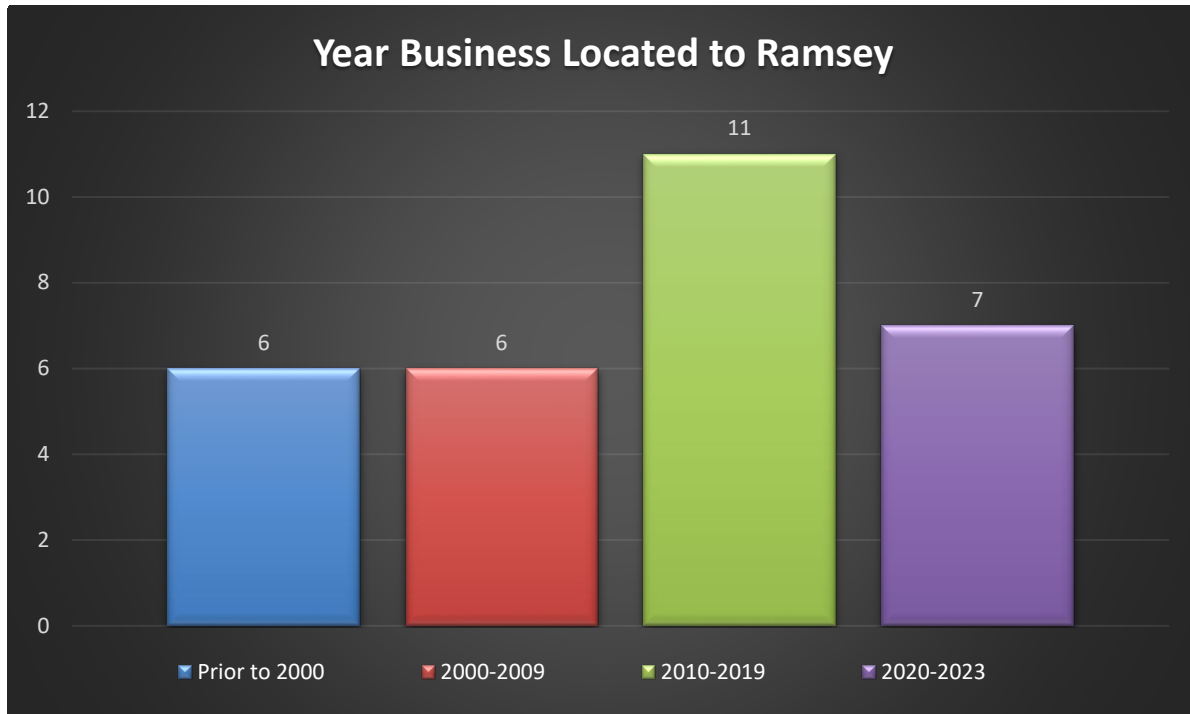


2023 RAMSEY BUSINESS VISITS

- Ace Solid Waste
- Stoney River Assisted Living & Memory Care
- Heritage Millwork
- Allison's Petite Pastries
- Polarizauto
- Northwoods Machine Inc.
- Wendell's
- Youth First Community of Promise
- Village Bank
- M & G Trailer Sales, Service & Rental, Inc.
- Learning Explorers Childcare Ramsey
- G-Will Liquors
- Bill's Superette
- Aurelio's Pizza
- Power Lodge
- Soderholm & Associates
- TJ Associates Printing
- Willy McCoy's
- Outpost Bar and Grill
- Elite Lift Truck, Inc.
- Anoka Ramsey Farm and Garden
- Compass Child Care
- Druk Classic Auto Sales
- Diamond Auto, Inc.
- Country Side Services of MN
- Sparkle Pool
- Udor USA Inc
- Connexus Energy
- Bolton & Menk
- Indigo Motors

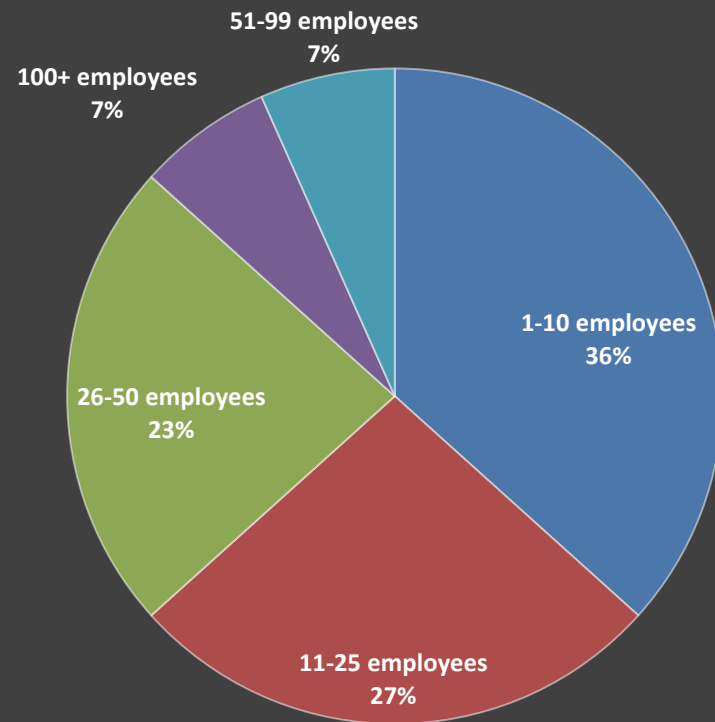


BUSINESS PROFILES

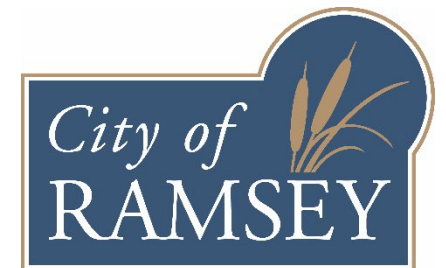


EMPLOYEES

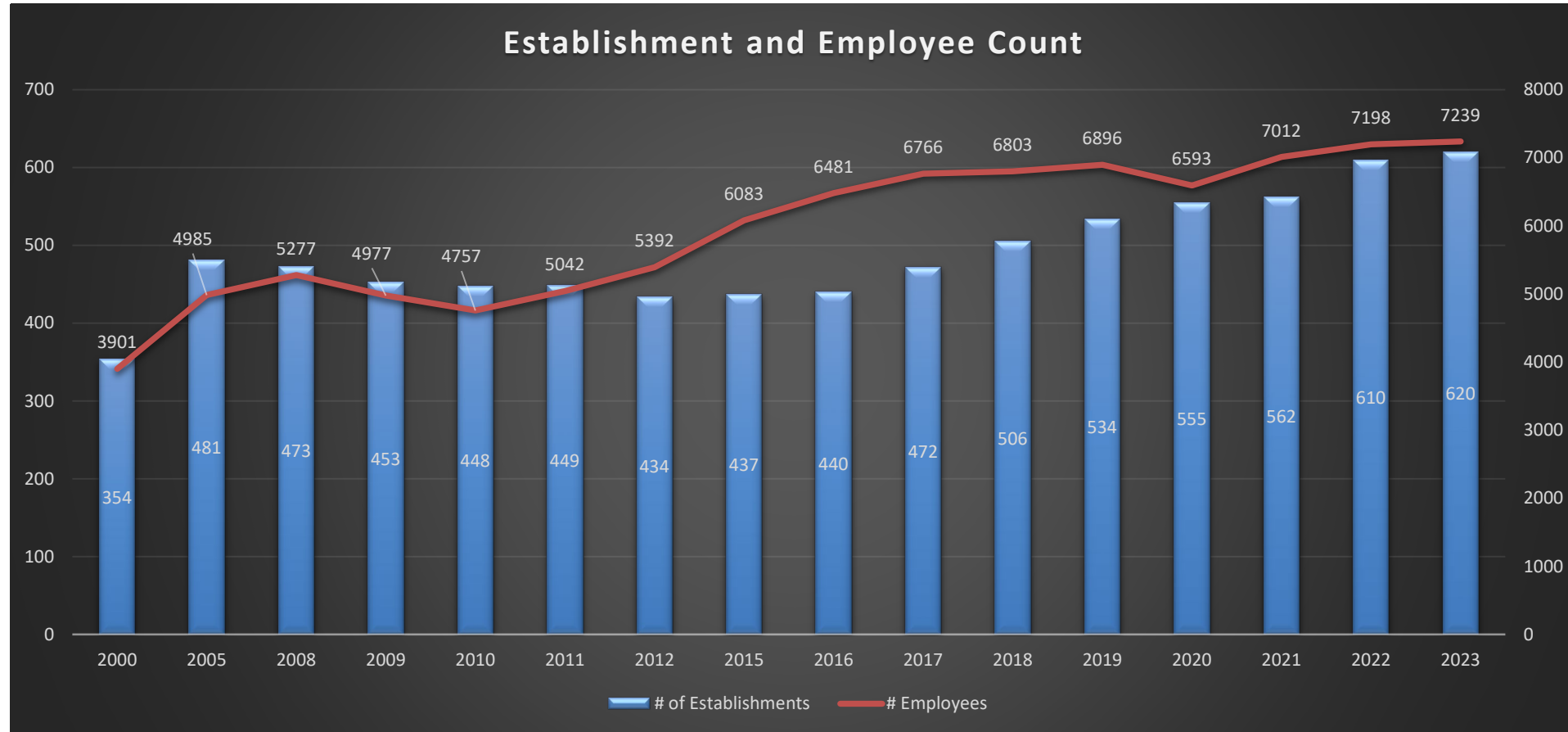
Number of Employees (FTE)



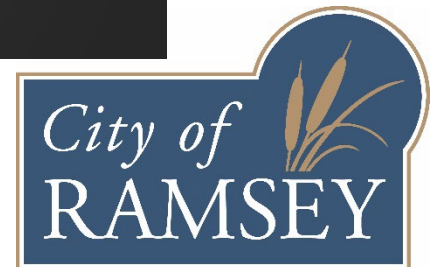
- % Businesses that plan to hire in next 2-5 years
 - 2023: 87%
 - 2022: 97%
 - 2021: 73%
- Reasons Job Openings Hard to Fill:
 - 52% Lack of candidates (*↑ 10% over 2022*)
 - 19% Poor work ethic (*↑ 3% over 2022*)
 - 19% Lack of technical skills (*↓ 10% over 2022*)
 - 5% Other
 - 5% Competition



EMPLOYEE / ESTABLISHMENT CHANGES

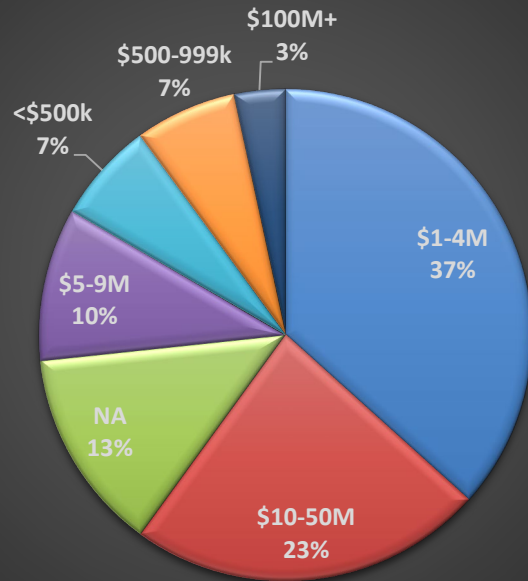


Source: Minnesota Department of Employment and Economic Development (DEED)



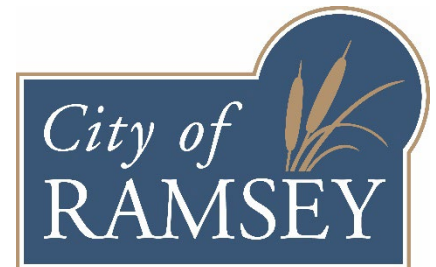
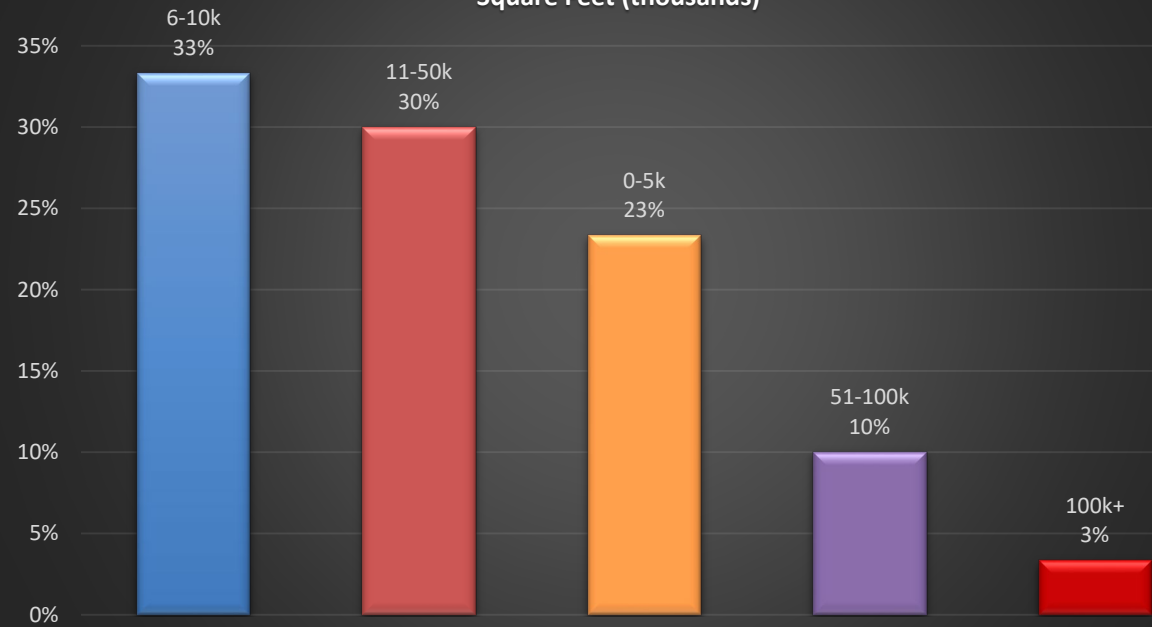
ANNUAL SALES / FACILITY SIZE

Annual Sales (Gross)



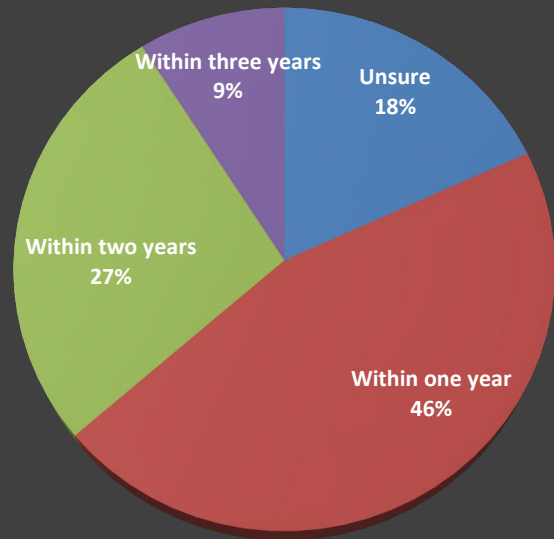
Facility Size

Square Feet (thousands)

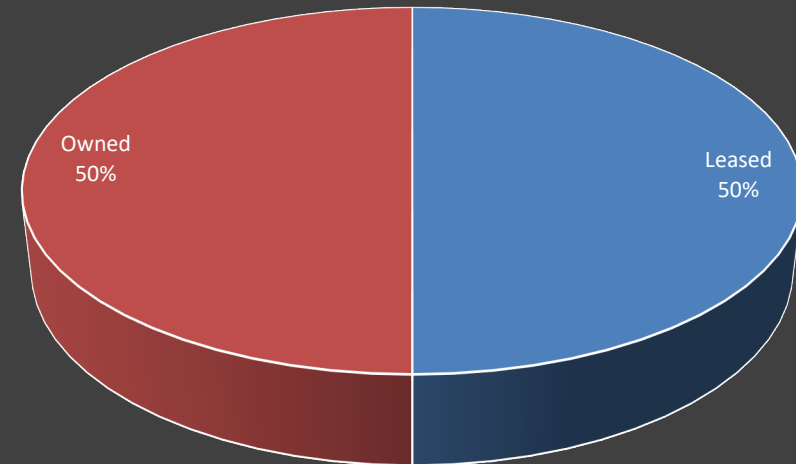


OWNERSHIP / EXPANSION

Approximate Date of Investment

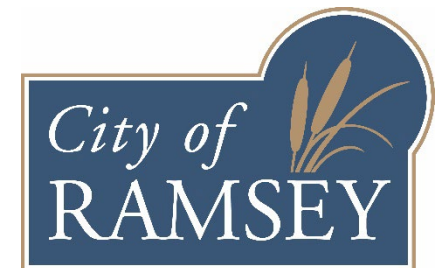


Facility Ownership



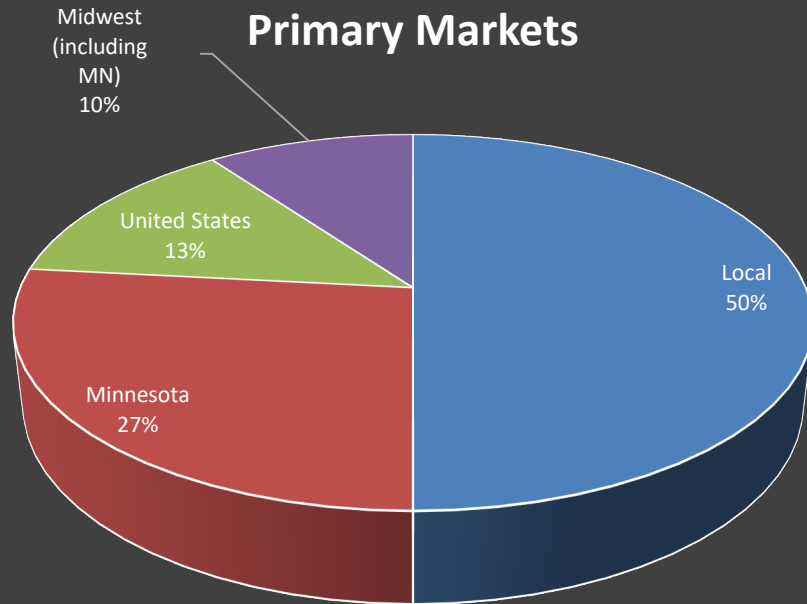
Does this company plan to...?

- 38% Renovate/Expand current facilities
- 18% Make major equipment purchases
- 18% Invest in new facilities

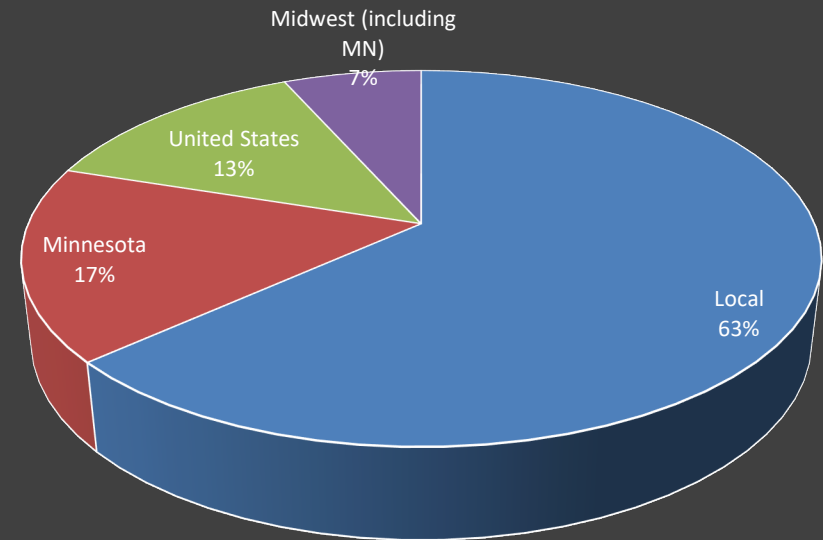


MARKETS SERVED / OUTLOOK

Primary Markets

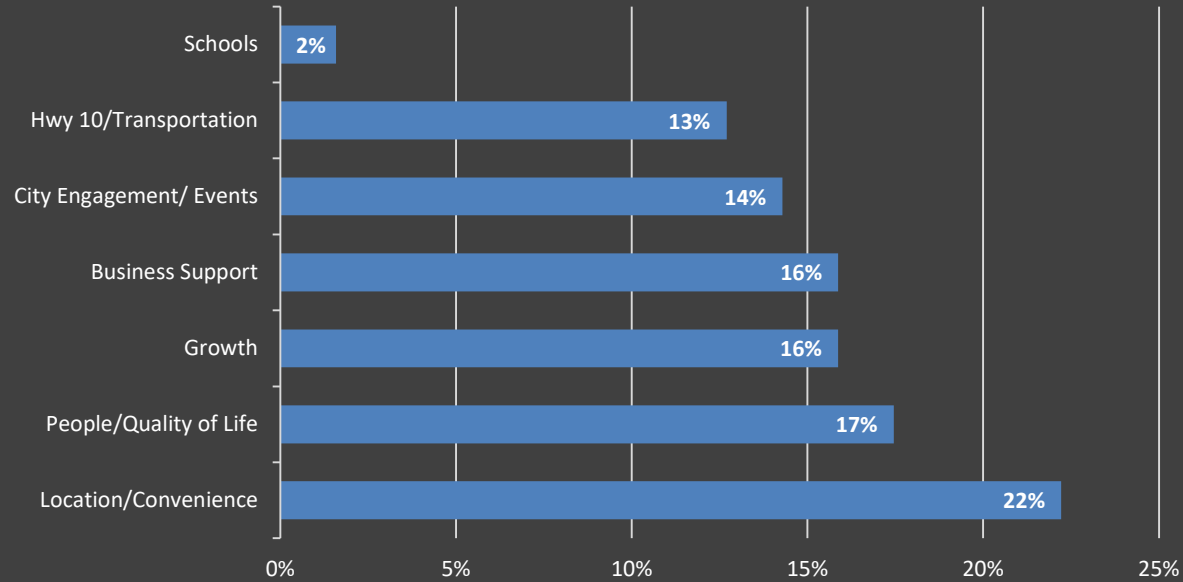


Fastest Growing Geo Markets

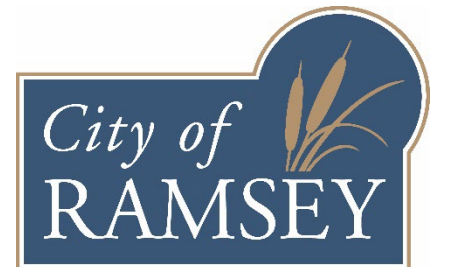
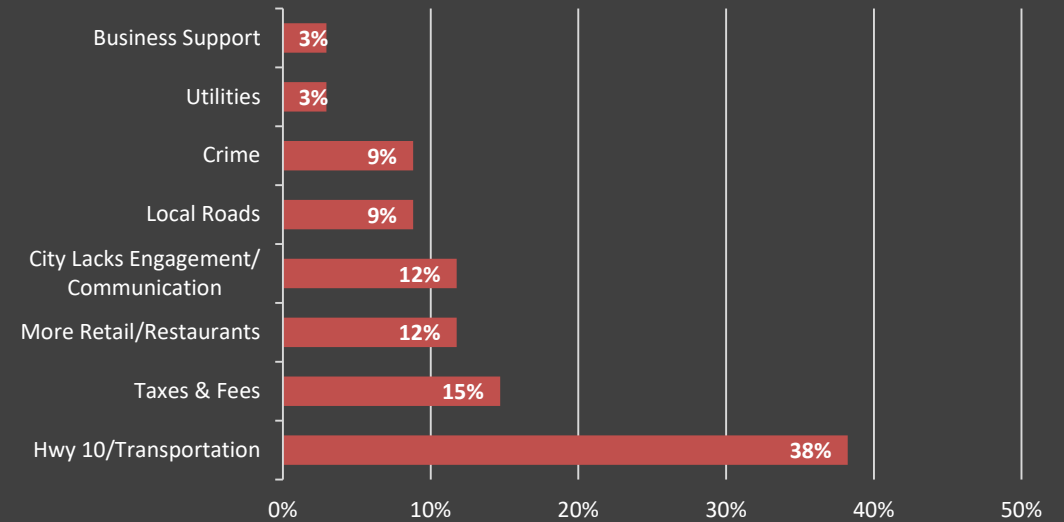


COMMUNITY STRENGTHS & WEAKNESSES

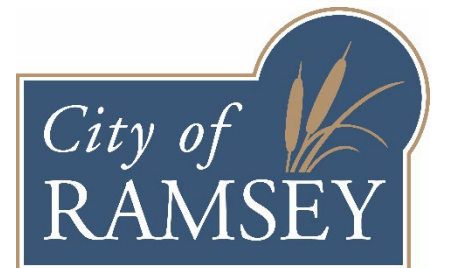
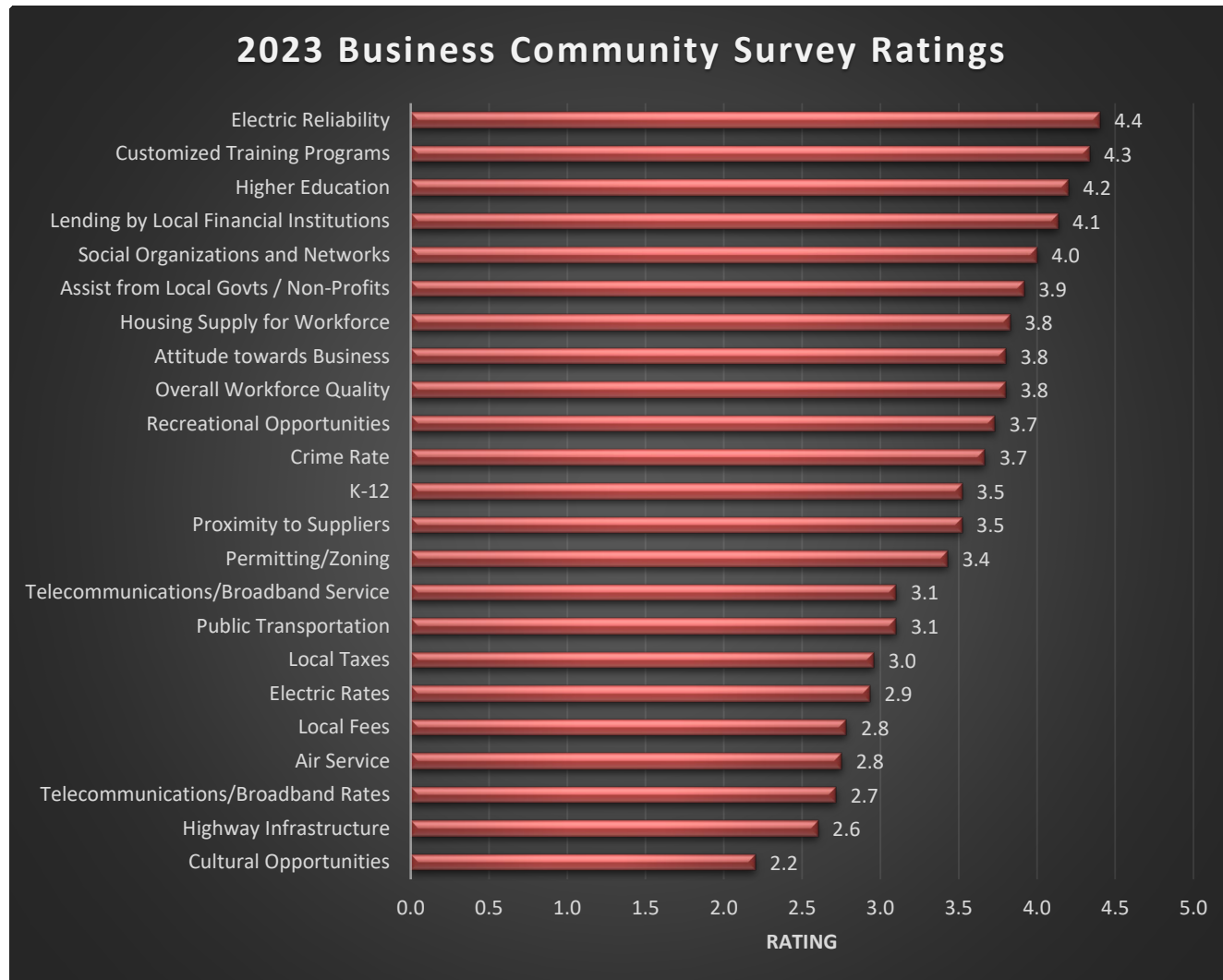
Strengths



Weaknesses



COMMUNITY RATINGS





PRIORITY PROJECTS TO IMPROVE BUSINESS

43% Highway 10 Project

17% Restaurants

9% Local Roads

9% Promote Local Businesses

6% Crime

4% Keep Up Good Work

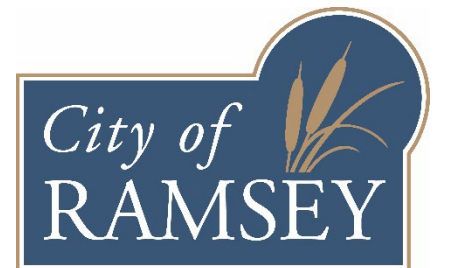
4% More People/Homes

2% Affordable Housing

2% Bridge to Dayton

2% Community Center

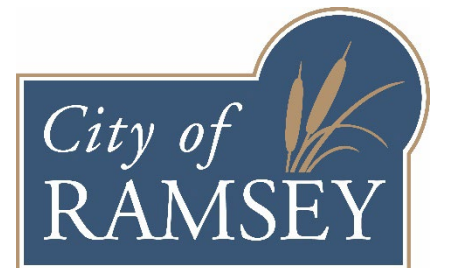
2% Retail/Shopping





GOALS FOR 2024

- Conduct 30 or more Business Visits
- Visit Newer Businesses to Ramsey
- Both Phone and in Person Visits (in person preferred)
- Blend of Commercial / Industrial and Retail
- Visit Hwy 10 Based Businesses
- Hwy 10 Construction Project Communication
- Promote Temporary Sign Regulations
- Continued Success at EDA Sponsored Events
- Review Business Contact Information on Business List



QUESTIONS AND EDA ACTION



- 1) Motion to accept 2023 Business Retention Report and adopt the plan for 2024 (as presented) (Recommendation)
- 2) Motion to accept 2023 Business Retention Report and adopt the plan for 2024 (with changes)
- 3) Something Else

